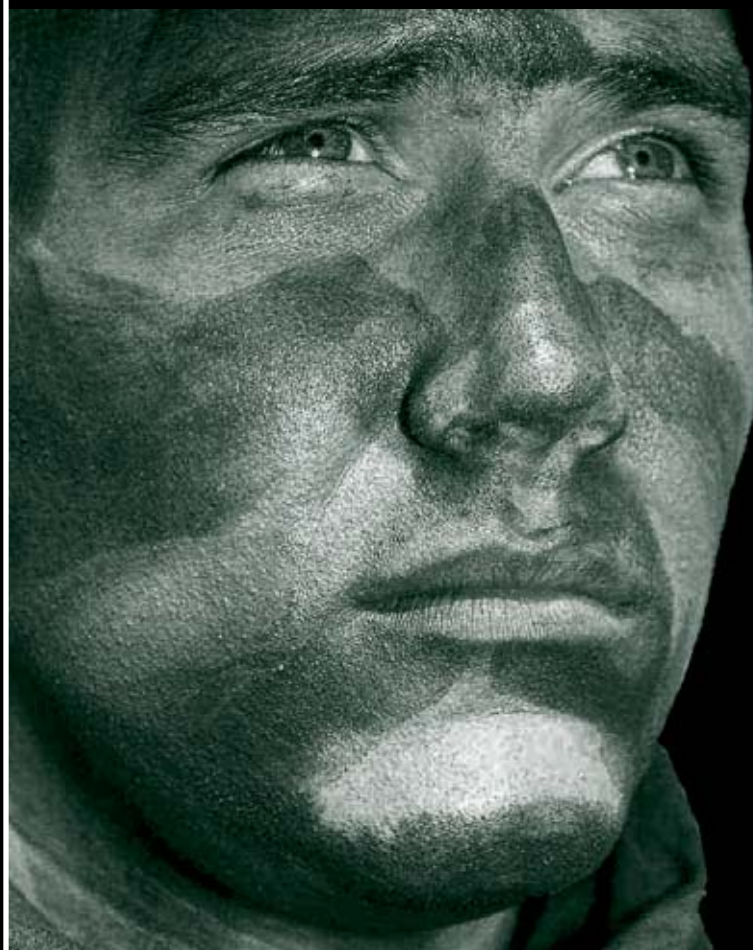


Fiscal Year 2002 Annual Report

Morale Welfare Recreation



U.S. ARMY





The Army's readiness is inextricably linked to the well-being of its people. Our success depends on the whole team—our soldiers, civilians, veterans, and their family members—all of whom serve the Nation.... Strategic responsiveness requires that our support structures provide soldiers and families the resources to be self-reliant both when the force is deployed and when it is at home station.... We have a covenant with our soldiers and families, and we will keep faith with them.

General Eric K. Shinseki

Preface

This is the 11th annual report regarding the Army's Morale, Welfare, and Recreation programs and related activities.

This report reflects operating results for Fiscal Year 2002. It is designed to provide an overview of these programs to our constituent commanders and customers who are the recipients of these services and from whom revenues are derived.

The nonappropriated fund financial data reported is compiled from audited and unaudited operating results of field operating and Headquarters NAF activities. The U.S. Army Audit Agency and command Internal Review elements periodically test functional financial components of field NAF activities. Audits of Headquarters nonappropriated funds are conducted annually by commercial auditors.

Introduction

According to research I've seen, a third of Americans define success by the well-being of their family or how well they raise their children, a quarter believe tangible accomplishments are a better indicator, but one in four has no idea what signifies success.

I know success when I see it. Trained and ready soldiers are a success. Soldiers supported by strong, proud, self-reliant families are a success. Army Morale, Welfare, and Recreation—the programs that help ensure all that—is a success. Taking care of soldiers and their families is a readiness issue. But ensuring the well-being of the men and women who selflessly serve our country at home and abroad is also a labor of love and represents the heart and soul of the Army. It's an extraordinarily important responsibility, made even more so when our Nation is at war. About 34,000 employees worldwide provide MWR programs and services to 3.7 million soldiers, family members, and retirees. These programs strengthen the soldier, the families of our soldiers, and the entire military community. These programs educate, entertain, challenge, and help in times of need.

Highlights of fiscal year 2002 included:

■ The Fifth Biennial Garrison Commander and DCA MWR Training Conference was attended by 1,200 garrison commanders and MWR professionals from around the world—a great opportunity to network, share ideas, and participate in 225 training sessions.

■ The transformation of installation management is a profound change for the Army. On October 1, 2002, the Secretary of the Army activated the Installation Management Agency with the goal of creating a corporate structure capable of equitable, efficient, and effective management of Army installations.

■ The MWR Baseline Standards assessment identifies where installations require additional appropriated fund resources to achieve Army standards in program service and delivery. In FY02, installations identified an APF shortfall of \$203.6M needed to meet standards, indicating continuing pressure to use nonappropriated funds to meet Government obligations to provide standard levels of support to soldiers and their families.

■ The Education Summit II expanded partnerships among school systems and military communities and addressed in-state college tuition for soldiers and family members. To date, 109 superintendents have signed the Secondary Education Transition Study Memorandum of Agreement, and we're not done yet.

■ The first Volunteer Summit energized Army Community Service volunteer programs and will work to give volunteers their own identity through a new concept called the Army Volunteer Corps.

■ The 2002 Army Family Action Plan Conference was very successful. This grassroots process continues to serve Army leadership as a window into the minds of soldiers and families.

- The first Army Family Team Building Advisory Council was attended by 30 spouses representing every major Army Command and the reserve component. To date, 27 percent of junior spouses have participated in AFTB and report the program has made a tremendous difference in their lives.

- We obtained \$3.2M in FYs 01-02 for 56 AFTB/AFAP positions and will continue to fight for resources to fund Armywide.

■ We've updated a broad range of family readiness materials in anticipation of expanded deployments in support of Army missions, dealing with everything from personal financial readiness to setting up family assistance centers.

■ The House Armed Services Committee authorized Uniform Funding and Management of MWR. Uniform funding will merge APF and NAF resources under NAF rules and procedures to make procurement, financial reporting, and management more efficient and effective. We are working with the Department of Defense to develop an implementation plan. There will be no forced conversion of APF personnel.

The tragic events of September 11, 2001 had immediate and dramatic effect on NAF revenue around the world. We initially thought that MWR would suffer a significant reduction of net income before depreciation from business operations compared to last year, but as the year progressed the superb efforts of managers and commanders reversed this trend. Even considering force protection measures implemented after the attacks on September 11, 2001, we did much better than anticipated. By reducing overhead and increasing efficiencies, operations produced \$103.8M of NIBD, or 13.5 percent of total revenue, compared to FY01's \$117.1M NIBD and 14.7 percent of total revenue. We exceeded the standard set by the MWR Board of Directors and were only slightly behind FY01 results—a clear success.

Fiscal year 2003 is more difficult to forecast. We expect to meet the standard but not to the level of the past three years. The number and duration of troop deployments will affect MWR results and dividends from the Army and Air Force Exchange Service. Taken together, these circumstances could cause NIBD to decline to between \$80M and \$90M—results that would still meet our standard, however. These projections assume we will not increase the use of NAF to perform APF missions or experience reductions to approved levels of APF support.

These will be challenging times. Contingency missions will continue to tax our resources and readiness capabilities. Installation MWR professionals must stay attuned to the needs of both home installations and our deployed forces. We are challenged to satisfy the needs of widely diverse patrons where each has different desires and expectations. Army MWR programs must address the need for balance between work and home by providing predictable, quality services.

We must also tell the story of how MWR supports families of deployed soldiers to the media—particularly the civilian press—through public affairs channels. Work with your public affairs staff to tell your story. Volunteer to be a subject matter expert for print and broadcast interviews. Telling the story of what we do is important. Let's keep our leaders, commanders, soldiers, civilians, and families in our thoughts and prayers as they march forward to do the Nation's work.

The bottom line is that our soldiers are entitled to the same quality of life as is afforded the society they are sworn to defend. This philosophy is the core of how we operate and design our vision for Army MWR. We have a covenant with soldiers and families that we must honor. I know success when I see it—it's called Army MWR.



Robert L. Decker
Brigadier General, U.S. Army
Commander
U.S. Army Community and Family Support Center



Notes

Dollar figures used in the text and charts are rounded to the nearest \$100 thousand. Throughout this report, "\$M" designates millions, and "\$K" designates thousands.

Publication of the:

U.S. Army Community and Family Support Center
4700 King Street
Alexandria, Virginia 22302-4419

For information or additional copies, contact the Strategic Planning and Policy Directorate:

Mr. George A. Gallagher
Director
Phone 703.681.7432

Mr. Tim Whyte
Chief, Strategic Planning Division
Phone 703.681.7425

Mr. Joseph Trebing
Strategic Planning Division
Phone 703. 681.7424

Contents

Executive Summary	6
Congressional Support	7
DoD and Army Leadership	8
Financial Overview	12
Construction	13
Audit	14
Process	15
Work Years	15
Financials	16
Total MWR Operating Funds	17
Army Operating Funds	18
Balance Sheet	20
Income and Expense Statement	21
Workforce	22
White Plume Awards	23
NAF Employee Benefits	23
Career Development Programs	24
Management Summaries	26
Army Community Service	27
Child and Youth Services	31
Community Recreation	33
Business Programs	39
Hospitality Support	42
Army Lodging	43
NAF Contracting	43
Strategic Communications	44
Public Affairs	45
Management Information Systems	45



Executive summary

MWR is about . . .

You play an important role in the community around you. MWR supports you with community-building activities, events and celebrations that bring people together.

Community





Afghanistan

Sgt. Daniel Corey of Bethalto, Ill., and Spc. Seth Greer of Hendersonville, Tenn., from the 101st Airborne, Fort Campbell, Ky., enjoy Super Bowl XXXVI from their vantage point on a HMMV at Kandahar International Airport, Feb. 4, 2002. The football game was provided by the Armed Forces Network to bolster morale.
- U.S. Navy photo by Photographer's Mate 1st Class Ted Banks

Congressional Support

Congress remains strongly committed to MWR. At a March 2002 hearing of the House Armed Services Committee Special Oversight Panel on MWR, Chairman Congressman Roscoe Bartlett stated, "... I have visited a number of MWR activities, both at the field and the headquarters level. I've been uniformly impressed by the great dedication and creativity of MWR employees at both levels. Everyone I've met is committed to helping military families. These visits have reinforced my views about the importance of these programs and reinforced my commitment to provide them strong support by the Panel and the Congress."

The hearing considered the effect of September 11, 2001 and its aftermath. In his opening statement BG Antonio Taguba observed, "Army MWR continues to perform superbly. In response to the September 11 attack, professionals across the Army mobilized programs to accommodate heightened security and increased operating tempo. We continue to provide MWR support to our forces deployed in the Balkans and have begun to serve troops deployed to Operation Enduring Freedom. And nonappropriated fund financial results in fiscal year 2001 exceeded fiscal year 2000. We do face new financial challenges in this fiscal year. Increased service has resulted in increased appropriated and nonappropriated fund costs. First quarter nonappropriated fund revenue and income are down from last year, although they have recovered from the days immediately following the attacks. We are closely monitoring these trends."

In addition to providing capital and operating funds, the Congress enacted two key pieces of legislation: long term care and Uniform Funding and Management of MWR. Non-appropriated fund employees may participate in the Office of Personnel Management's Long Term Care Insurance Plan, giving them parity with APF employees and members of the uniformed services in access to long-term care insurance. Uniform Funding and Management of MWR programs allows the services to consider appropriations provided to operate MWR programs as NAF, including allowing the funds to remain available until expended.

The Army's FY03 military construction request included \$10.7M for child development centers at Bamberg, Germany and Vicenza, Italy and \$6.8M for a fitness center at Camp Castle, Korea. The Congress added a fitness center at Fort Rucker, Ala., for \$3.5M and authorized \$4.35M in prior year funds for a fitness center at Camp Bonifas, Korea.



Delaware City, Delaware

Family and friends of the Delaware Army National Guard's 153rd MP Unit gathered in August 2002 to honor soldiers shipping out for a nine-month tour of Saudi Arabia. Spc. William M. Bradley II gets a hug from grandfather, William S. Bradley.

- Photo by Carol Bradley

DoD and Army Leadership

Policy Update

The following new or revised Department of Defense policies are effective in FY02 and FY03 and will be included in the next publication of AR 215-1. The field is aware of these policies and has implemented them.

The Office of the Secretary of Defense revised policies pertaining to military personnel assigned to military missions in foreign countries. Personnel assigned to Security Assistance Offices, Defense Attaché Offices, Military Liaison Teams, or Technical Assistance Field Training may request unit funds (NAF) for leisure activities. A per capita \$35 per servicemember per FY is uniform for all services. The service responsible for a geographic region will provide unit funds to all servicemembers assigned to military missions. The Army has responsibility for the European and Southern Commands, the Air Force for Central Command, and the Navy for Pacific Command. This policy is effective in October 2002.

During force protection conditions of CHARLIE or above, OSD policy authorizes additional APF support for installation Category C MWR programs (not including golf courses). Funds may be used to provide for civilian management or supervision of MWR programs, utilities and rents and custodial/janitorial services. This policy is retroactive to 1 October 2001.

Executive Order 13058 prohibited smoking of tobacco products in all interior space owned, rented or leased by the government and any outdoor areas in front of air intake ducts. The order allows exceptions for designated smoking areas enclosed and exhausted outside away from air intake ducts and maintained under negative pressure. The DoD Instruction 1010.15 provided an exception for MWR programs to designate smoking areas, subject to Executive Order limitations, and required implementation of employment practices by December 2002. In consultation with national employee unions, Army MWR guidance was released to clarify the following: employees will be informed of their right to choose not to enter designated smoking areas; employees who elect not to enter may be reassigned without loss of grade or pay; future job announcements may not require working in these areas as a condition of employment.

MWR Board of Directors

The MWR Board of Directors continues to exert strong leadership in managing and operating Army MWR programs. A summary of key decisions for FY02 includes:

Financial Management Strategy »

The BOD approved a strategy to repay the internal loan by 4th quarter, FY08. Funding of NAF major construction projects by the Army Morale, Welfare and Recreation Fund will be limited to \$15M each year from FY03 to FY04 (plus \$3M for golf maintenance projects), and \$25M per year for FY05 and FY06. Ratio parameters of Army operating cash to field current liabilities will be 1.5:1 by FY07, with Army operating cash to Army current liabilities at 0.8:1 by FY03.

FY03/FY04 NAFMC Program »

The BOD approved an FY03 NAFMC program containing a self-funded program of \$26.9M (five projects), two capital purchase/minor construction self-sufficiency exemption projects worth \$0.38M, an AMWRF-funded program of \$15.6M, and \$3M for golf maintenance facilities. The AMWRF-funded FY04 program is valued at \$14.4M. The FY03-05 Army Lodging construction program is set at \$53M, and the BOD directed a review of criteria used to prioritize projects.

NAFMC Strategy »

Future NAFMC projects will focus on recreational lodging, outdoor recreation, bowling, golf, community activity centers, and youth services. A contract between MACOM/installation and the BOD will codify expectations for operational performance. Repair and maintenance will be funded to requirements for every AMWRF-built facility and included in contracts. The Capital Investment Review Board will review future projects against BOD guidance.

Management Information Systems Sustainment »

The BOD approved an increase to the FY02 MIS sustainment budget from \$4.1M to \$6.6M to fund hardware, the Child and Youth Management System, the Standard NAF Automated Contracting System, a WebTrac test, and the Time and Labor Management System.

MWR Baseline Standards »

The BOD approved the addition of leisure travel standards to existing community recreation standards. Standards for staffing, facilities and hours of operation were developed in coordination with MACOMs and installations.

Lodging Capital Assessment »

The BOD approved annual increases of \$1 per night to the LCA from FY03 to FY08, when the LCA will be \$12. The BOD will continue to advocate for authorized APF to the program; to seek Military Construction, Army funding; and to evaluate the cost, impact, and feasibility of public-private partnerships.



Bosnia

Participants toe the line as they wait for the kickoff of the Aloha 5K Run in August 2002.

- Photo courtesy of Task Force Eagle MWR

Well-Being

Army MWR and family programs play a major role in the Army's well-being process. Launched in 2001 by the Well-Being Council of Colonels, well-being is defined as the human dimension of the Army transformation—the personal, physical, material, mental, and spiritual state of soldiers (active, reserve, guard, retirees, and veterans), civilians, and their families that contributes to their preparedness to perform the Army's mission. Well-being will integrate and synchronize processes, programs, issues, and initiatives across the Army to assist senior leaders in making decisions on priorities and funding from a holistic perspective. A Well-Being Action Plan, containing program objectives and performance measures, is due to the Vice Chief of Staff, Army in early 2003. Army well-being is an integral part of the Army Vision and the transformation of the Army to the Objective Force. The USACFSC will continue to support the well-being initiatives as the Army transforms to the Objective Force.

MWR Baseline Standards

Baseline standards ensure efficient use of funding by defining common installation resource requirements for key MWR and family programs funded with APF. Annual installation assessments focus on staffing, availability, accreditation, and equipment. Standards define a C-rating for programs and identify funding needed to achieve a standard (in addition to actual FY execution). The FY01 assessment, with 130 installations reporting, identified an APF shortfall of \$153.6M needed to improve C4 (red) and C3 (amber) program elements to C1/C2 (green). A 22 percent increase from FY00, this shortfall is additive to \$432M executed by MACOMs in FY01. The FY02 assessment identified a \$203.6M requirement to improve C4 and C3 program elements to C1/C2, a 33 percent increase from FY01 and additive to \$458.7M executed by the field. This shortfall indicates continuing pressure on installations to use NAF to meet government obligations to provide standard levels of program support to soldiers and their families. This assessment data provides the USACFSC a basis for building future years' funding requirements in support of Army MWR programs.

Demographics

The demographics of the Army's soldiers and family members are at Figure 1-1. Family member distribution continues to shift to CONUS locations. The number of dual military families increased (6 percent of the force), as did single parents (8 percent of all soldiers).

Active Army Family Demographics			
	2001	2002	
Family Units	280,604	284,774	
Family Distribution	84 %	89 %	CONUS
	16 %	11 %	OCONUS
% Married	72 %	72 %	Officer
	48 %	49 %	Enlisted
	52 %	53 %	Total
Dual Military	5,036	5,039	Officer
	21,201	22,538	Enlisted
Single Parents	2,751	2,936	Officer
	32,903	33,595	Enlisted
Family Members	245,993	252,193	Spouses
	449,849	460,853	Children/Youth
	3,457	3,599	Parents/Other
	699,299	715,645	Total
Working Spouses	49 %	51 %	

Figure 1-1

Installation Status Report

The Installation Status Report data call ran from January-May 2002. For ISR 1 (Facilities), the aggregate rating for the "Community" category (most MWR and family program facilities) was assessed C3 for quality and C3 for quantity (the same as 2001). Installations reported aggregate C4 quantity ratings (red) for child and youth services, recreation centers, athletic fields (baseball, softball, and multi-purpose), and outdoor pools. The ISR 3 (Services) aggregate MWR rating was C3 for quality (down from C2 in 2001), and no quantity rating. An aggregate C4 quality rating was reported for sports and fitness, recreation and library programs. Data from the annual MWR Baseline Standards assessment is top-loaded into the ISR 3 on behalf of installation Army Community Service; Child and Youth Services; and Sports and Fitness, Libraries, and Recreation programs.



Afghanistan
Soldiers of the 3rd Bn. 505th Parachute Infantry Regiment, 82nd Airborne Division, exit onto Kandahar Airfield.
- Photo by Pfc. Jason B. Baker

MWR Contingency Operations

MWR is a mission essential activity during war and operations other than war. MWR activities maintain physical fitness and alleviate stress from combat situations....

- FM 12-6, Personnel Doctrine

With soldiers deployed to more than 60 countries, MWR support for contingency operations is more important than ever. Army MWR supports contingency operations with recreation and sports equipment, MWR personnel and live entertainment. The Army MWR Emergency Essential Civilian program ensures that civilian specialists are ready when needed; 150 civilians are identified and available for six-month deployment to locations around the globe to support soldiers.

Army MWR provides sports and recreation equipment to deployed forces. Large MWR kits for 1,000-1,500 soldiers include free weights, basketball goals, ping-pong tables, board games, TV/VCR, refrigerators, and even a popcorn machine. Small unit kits—100 personnel or less—include footballs, basketballs, softballs and bats, board games, cards, exercise bands, and jump ropes. Thirty small unit kits were sent to Kuwait for forward deployment. A new "Theater-in-a-Box" contains a computer projection system, DVD/VCR player, speakers, and screen that provides a movie theater experience for soldiers in remote locations; 10 kits were sent to Kuwait for issue to deployed units. Paperback book kits are the mainstay of MWR deployment support. Kits containing 25 best-selling and classic paperback books are sent on a

monthly basis to deployed locations; as of January 2003 over 1,500 kits were sent to Operation Enduring Freedom locations in Afghanistan.

The MWR operation in the Balkans continues. Currently 27 civilian MWR specialists are in the Balkans supporting base camps and remote sites in Kosovo, Bosnia and Hungary. Contracted local national employees supplement MWR specialists to allow 24-hour operation of services and facilities. The war on terrorism opened a new theater requiring MWR support. The USACFSC has supported the MWR mission in Operation Enduring Freedom since November 2001. An MWR technical assistance team deployed to Kuwait in April 2002 to assist the Coalition Forces Land Component Command, the Army component command of Central Command, in assessing MWR operations and developing an in-theater pass program for deployed soldiers. In October, five MWR emergency essential civilian specialists deployed to Operation Enduring Freedom: two in Afghanistan, one in Uzbekistan, one in Djibouti, and one in Qatar. These specialists provide recreation, entertainment, sports and fitness programming, manage the operation of MWR facilities and the procurement, distribution and repair of equipment.

MWR Strategic Action Plan

Army MWR continued to define a corporate strategy. The MWR Strategic Action Plan was aligned with the Army's Strategic Readiness System through the use of the Balanced Scorecard. Objectives in the Strategic Action Plan provide performance measures for future strategic readiness reporting. This alignment will ensure a balanced look at MWR programs and services as the Army plans and resources initiatives. In concert with this effort, the branding initiative will provide an essential cornerstone for the future "identity" of MWR. The branding initiative and the project outcomes are essential for validating the mission and vision of MWR.

Army MWR Strategic Goals:

- Goal 1: Corporate leadership provides strategic communications, vision, policy, resources, and guidance that enable the delivery of customer driven MWR programs.
- Goal 2: Deliver professionally marketed programs and services that support readiness, build customer loyalty and exceed their expectations in quality and value.
- Goal 3: Sustain a satisfied, high performance MWR workforce that builds customer loyalty.
- Goal 4: Explore opportunities, emerging technologies and trends to support implementation of sound business practices.
- Goal 5: Acquire, modernize, maintain, and manage capital assets and infrastructure.



MWR Research

The USACFSC uses many channels to obtain demographic, social-psychological and community findings. Recent quality of life findings are summarized below.

Concern for Army Families and soldiers »

The Fall 2001 Sample Survey of Military Personnel reported that 51 percent of officers and 36 percent of enlisted soldiers are satisfied with the support and concern the Army has for them. For married soldiers, 49 percent of officers and 38 percent of enlisted soldiers were satisfied with the support and concern the Army has for their families. Nonmilitary spouses of soldiers were less satisfied, as seen in the Survey of Army Families IV (Figure 1-2). Half of married officers and two-fifths of married enlisted soldiers report that unit leaders are greatly interested in the welfare of families and know about family programs. Overall, married soldiers are more likely than single soldiers to be satisfied with the support and concern the Army and their leaders have for them. Single company grade officers and junior enlisted soldiers are less likely than married soldiers to report that leaders are interested in their welfare and know about single soldier programs. Single soldiers also perceive less support and concern from officers in high post/installation positions and officers at their place of duty, compared to prior surveys.

Army Outdoor Recreation Programs »

The Spring 2001 SSMP reported that 66 percent of officers and 57 percent of enlisted personnel used or participated in Army ODR programs in the last 12 months. Of those that did not use or participate, one-third reported not enough time to use the programs. Most soldiers reported that program hours, location and facility quality were what they expected. Over half reported that they were satisfied or very satisfied with ODR programs.

Exceptional Family Members »

The Fall 2001 SSMP reported that 11 percent of officers and 12 percent of enlisted personnel have an exceptional family member—statistically significantly higher than reported in 1990 and 1992. Of these soldiers, three-fourths of officers and two-thirds of enlisted personnel report being enrolled in the Exceptional Family Member Program—also statistically significantly higher than reported in 1990 and 1992. Of those that have an exceptional family member, 9 percent of officers and 14 percent of enlisted personnel report having had to return prematurely from a deployment or tour in order to deal with family member needs.

Army Spouses »

The Survey of Army Families IV provides trend data on MWR programs and family issues. Since 1995, the percentage of spouses of active duty soldiers who are satisfied with the Army way of life has decreased (Figure 1-3). More encouraging is that spouses report fewer problems dealing with Army demands and “getting along” while the soldier is away. Compared to 1995, spouses are better prepared to deal with deployments in that they are more comfortable dealing with Army agencies while the soldier is away. Less encouraging is a decrease in spouse satisfaction with the support and concern shown for their family by unit noncommissioned and commissioned officers and by garrison leaders—a relationship that ties directly to a soldier's career decisions.

Leadership support is linked to successful spouse and family adjustments to Army demands, yet perceived leader support for families declined to the lowest levels measured since 1987.

Two-thirds of spouses use MWR recreation programs at their installations; if living off post, one-half use them. Fun and physical fitness are the most common reasons for participation. Frequent use of MWR is linked to higher levels of spouse adjustment to military life.

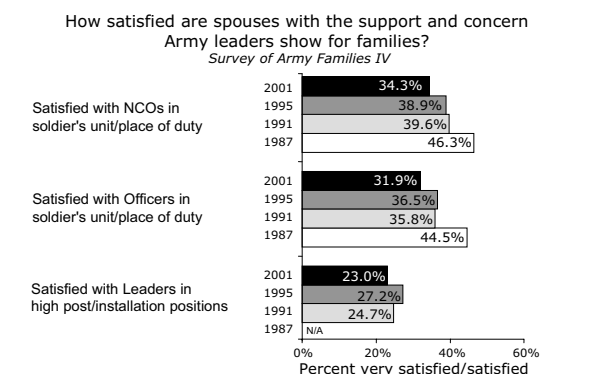
Most Army families experience duty-related separations each year. Since 1995 family adjustment to short-term separations improved, but adjustment to long-term separations declined. Families that spend time together adjust well to Army demands.

One-third of spouses are aware of Family Readiness Group and Army Family Team Building programs. Spouse involvement with these programs increases their perception that leaders care for families.

The use of Army relocation services increased, but spouse satisfaction with services is low to moderate. There is a pattern of lower Army adjustment in the first year after relocation.

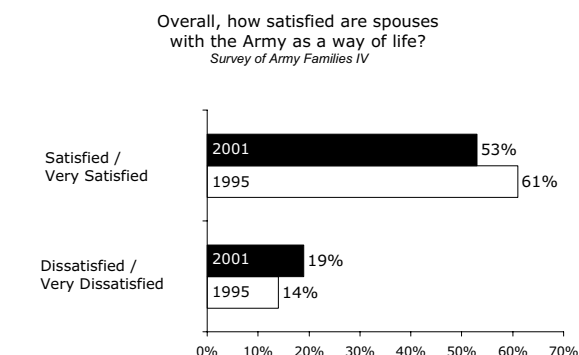
Forty-four percent of spouses who made a PCS move in the last 3 years and were accompanied by high school-age children reported problems related to changing schools.

Half of those who are renting or living in government housing are satisfied with housing. Concerns over security and substandard quality are common among those living both on and off post.



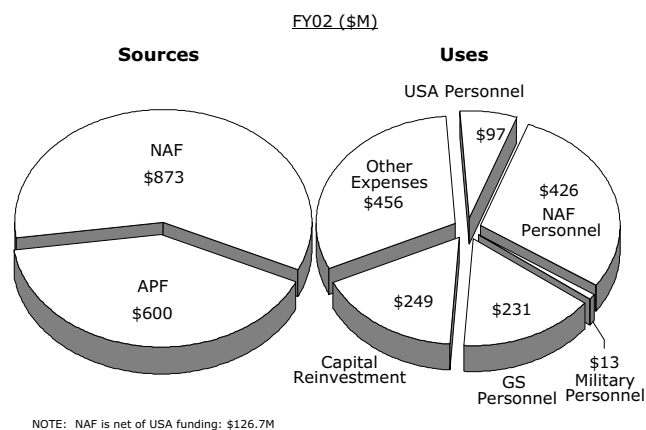
Perceptions of Leader Involvement

Figure 1-2



Satisfaction with Army Way Of Life

Figure 1-3



MWR is Big Business - \$1.5 Billion

Figure 1-4

DoD Fiscal Standards: Metrics

Army MWR Operating Funds

APF as Percentage of Total Expenses

	Army Actual					DoD Metric
	FY98	FY99	FY00	FY01	FY02	Minimum
Category A	88%	88%	90%	90%	91%	85%
Category B	61%	64%	65%	66%	67%	65%

Figure 1-5

Critical Financial Indicators

Army MWR Operating Funds

as of February 2003

	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
% AMWRF Loan to Field NAFI Deposits	50%	43%	52%	48%	38%	28%	16%	10%
Field NAFI Cash to Debt Ratio	1.1:1	1.1:1	0.9:1	0.9:1	1.0:1	1.1:1	1.2:1	1.3:1
Total Army NAFI Cash to Debt Ratio	0.8:1	0.8:1	0.7:1	0.7:1	0.8:1	0.9:1	1.0:1	1.1:1

Figure 1-6

Financial Overview

All Army MWR-Operating Funds

Field operating MWR programs and NAFIs, the Army Recreation Machine Program and the Army MWR Fund comprise Army MWR operating funds. Collectively, \$1.5 billion in total APF and NAF funding supported FY02 operating and capital requirements worldwide—a \$70M increase over FY01. A \$97M increase in APF resulted from increases of \$65M in Military Construction, Army; \$26M in Operation and Maintenance, Army; and \$5M in Military Personnel. For NAF, revenue was down \$27M from FY01, primarily due to lower operating revenue and sales. Army and Air Force Exchange payments to the Army in FY02 were down \$8M from FY01; however, gross ARM revenue rose \$4.6M.

Figure 1-4 shows total funding support and uses in FY02. The ratio of APF to NAF support was 41 percent to 59 percent, respectively. The APF share rose three percentage points compared to FY01. The major use of funds continues to be personnel; however, at 52 percent of the total, it is the same percent of total resource uses as in FY01. After operating costs, \$249M was available for capital requirements—\$65M more than FY01, primarily due to higher MCA funds for FY02.

DoD Funding Metrics

In November 1995, the DoD published fiscal standards for MWR requiring that, regardless of category, 100 percent of authorized costs are funded with APF. Metrics for these standards allow for incidental program related resale operations that are not authorized APF. The metrics focus on the relationship of APF and NAF operating support for Category A (mission sustaining programs) and Category B (basic community support). They exclude costs of goods sold and depreciation. For Category A, the minimum standard is 85 percent APF and 15 percent NAF. For Category B, the minimum ratio is 65 percent APF and 35 percent NAF.

The Army supports these standards. MWR long-range fiscal planning is based on matching the right funding source with APF/NAF requirements and the MWR BOD established tracking mechanisms to ensure proper execution. MWR is now in its eighth year of monitoring these standards. Figure 1-5 illustrates FY02 results. Army MWR reported steady improvement, with Category A APF rising from 90 percent in FY01 to 91 percent in FY02 and Category B rising from 66 percent in FY01 to 67 percent in FY02.

Critical Indicators

The MWR BOD uses many tools to monitor MWR operating funds and evaluate the program's collective health. Two major "critical indicators" are the cash-to-debt ratio of the collective funds and the relationship of the outstanding AMWRF loan to the Army Banking and Investment Fund with field NAFI cash deposits. For the cash to debt ratio, the BOD reviews the total Army's cash in the ABIF, excluding the loan, versus liabilities due and payable at specific points in time throughout the fiscal year. These actual indicators are then compared with the plan to ensure the Army is on track.

As of 30 September 2002, the Army's collective MWR operating cash to current field liabilities was 1.1:1 (Figure 1-6). The AMWRF loan ratio to field cash deposits was 42.7 percent, down 7.7 percentage points from 30 September 2001. A lower loan balance coupled with higher field balances attribute to this positive change. While these indicators reflect a less healthy position than desired, the BOD anticipated this condition and will closely monitor the critical FY03-04 periods to allow the Army to execute planned capital expenditures while maintaining solvent operations. Detailed financial information, including a summarized balance sheet and summarized income and expense report for Army Operating Funds, is presented in the Financials section of this report.



Fort Stewart, Ga.

A new youth activity center features a multipurpose room with stage, equipment storage, pull-out bleachers, basketball goals, scoreboards and an innovative teen cyber café.

- Photo by USACFSC Construction



Fort Bliss, Texas

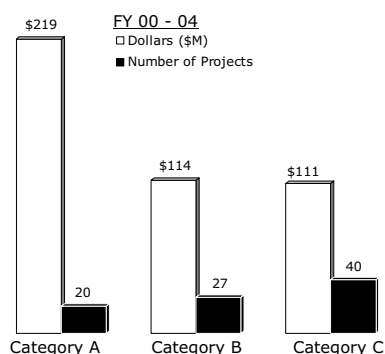
The Army's fifth PPV venture, a Fort Bliss car wash operation, opened in December 2001.

- Photo courtesy of USACFSC Construction

Construction

The USACFSC assists Army installations worldwide in programming, designing, and executing capital purchase minor construction (projects under \$500K), major construction projects (projects over \$500K) to include support for Armed Forces Recreation Center construction and public-private venture projects. Interior and food service design is provided at no cost in support of installation initiatives and development of theme restaurant concepts. At the request of installations, the USACFSC also provides project management to execute smaller minor construction projects and can assist installations in developing a partnership with a private entity to provide Category C facilities and services through the public private venture program. All services are provided at no direct cost to installations.

In FY02, Army MWR delivered 14 NAF major construction projects valued at \$39M and 32 capital purchase and minor construction projects valued at \$3.4M to the MWR community. Army MWR has 17 construction projects valued at \$68M ongoing at 16 installations in CONUS, Hawaii, Europe, and Korea. Additionally, 89 design/minor construction support projects are active at 46 installations. Congress approved 16 NAF major construction projects with a total value of \$86.6M for the FY03 program. Over a five year period, the Army has supported MWR with 87 major construction projects valued at \$444M (Figure 1-7).



MWR Construction Program

Figure 1-7

The Army is in the sixth year of systematic upgrades to the AFRCs. An infrastructure upgrade to the Illima Tower of the Hale Koa Hotel® (Hawaii) was completed in FY02 at a cost of \$6.8M. Ongoing construction projects include a Hale Koa Hotel® laundry upgrade valued at \$5.4M, a new AFRC-Europe (Germany) hotel valued at \$7.9M, and an expansion of the Shades of Green® (Florida) facility valued at \$69M.

Army MWR also supports other military services by executing construction projects on a reimbursable basis. During FY02, the Army received \$470K for support to the Navy, the Navy Exchanges and the Marine Corps.

Public-Private Ventures

The goal of the Army's MWR public-private venture program is to secure private sector expertise to deliver facilities and services and decrease the burden on Army funds. The USACFSC's Asset Management/Privatization Office is the sole Army agency given this responsibility. The program benefits commanders who need an MWR facility but lack the funding to provide a needed service to soldiers and families. PPVs are the right tool to marry installation needs with the expertise of private developers to build a state-of-the-art facility.

Five PPV projects are in operation. The fifth project opened in December 2001: a car wash at Fort Bliss, Texas. The Fort Carson car wash, which opened in August 1999, proved such a success that the owner requested approval to add one additional automatic bay. Approval was granted via an amendment to the existing contract in September 2002, and the additional bay is expected to open in February 2003.

In Spring 2002, the Deputy Assistant Secretary of the Army (Human Resources) approved modifications to the PPV process that eliminated redundancies and reduced overall processing time. The process was reduced from 10 steps to 6, which should allow contract award (Steps 2 through 6) in 51 weeks versus 163 weeks, as has been the experience.

Any Category C activity is a candidate for privatization. The PPV program currently includes 15 projects with a potential NAF capital avoidance of \$30M. Typical projects include car washes, self-storage facilities, family activity centers, pet kennels, travel camps, marinas, stables, and a skating rink.



Audit

MWR is about . . .

MWR cares about Army families. From child care to preparedness for deployment or reunion, MWR support helps teach and encourage families to be self-reliant.

Self-Reliance



Process

Auditing standards issued by the Comptroller General of the United States require that auditors plan and perform audits to obtain reasonable assurance that financial statements are free of material misstatement. Audits include examining—on a test basis—evidence that supports the amounts and disclosures in financial statements. Audits also assess accounting principles used, significant estimates made by management and the overall financial statement presentation. The auditors believe their audits provide a reasonable basis for their unqualified opinion. Annual audits of Headquarters, Department of the Army nonappropriated funds are required by DoD Instruction 7600.6.

Audits of the HQDA nonappropriated funds are conducted annually by independent commercial auditors. Independent commercial auditors audited the balance sheets, statements of operations, changes in fund balances, and cash flows for the year ending 30 September 2001. An unqualified audit opinion was rendered for the following funds:

- › **Army Morale, Welfare, and Recreation Fund**
- › **Central Insurance Fund**
- › **Banking and Investment Fund**
- › **Hospitality Cash Management Fund**
- › **NAF Employee Retirement Plan**
- › **NAF Retirement Fund**
- › **NAF Employee 401(k) Savings Plan**
- › **Lodging Fund**
- › **Recreation Machine Trust and Operations Fund**
- › **Armed Forces Recreation Centers**
(Europe, Korea, Florida, and Hawaii)

Commercial audits of these funds for FY02 are in progress.

The following audits were reported to the MWR BOD's Audit and Executive Committees:

Permanent Change of Station Lodging Revenue »

Congress directed the General Accounting Office to review DoD lodging policy to determine if the positioning of guest houses with temporary duty lodging affected MWR revenue. A March 2002 GAO report recommended that the Army discontinue charging unofficial travelers a surcharge that is transferred to the installation's MWR fund and that proceeds already collected should be returned to the Army's lodging fund. The Army Lodging program discontinued the surcharge in April 2002, but the DoD nonconcurred with refunding monies to the Army Lodging Fund, arguing that installation MWR funds had already committed the funds to MWR programs. Twenty-three installations used the surcharge and collected \$2.2 million.

DoD Child Care NAF Employees »

The DoD Inspector General was tasked to determine if the services are paying childcare givers in accordance with Public Law 101-189. The DoD IG issued a final report in June 2002, stating that compensation policies for NAF childcare providers were generally effective and initial training programs and advancement policies were effectively implemented. The DoD IG recommended that the Assistant Secretary of the Army (Manpower and Reserve Affairs) establish controls to ensure that data on NAF childcare providers are current and accurate when transmitted to the Defense Manpower Data Center. The DoD IG also recommended policies and procedures to ensure the integrity and accuracy of the DMDC database. The Army has initiated action that will meet the intent of the recommendations.

Child Care in US Army Europe »

The US Army Audit Agency concluded that US Army Europe had adequate staffing to meet current enrollment in childcare programs. The DoD goal is to meet 80 percent of Armywide childcare demand by FY07. In USAREUR, child development centers and family childcare homes supported the needs of 90 percent of the children whose parents applied. The USAAA noted that USAREUR needs to improve on-time training of childcare providers and needs to make improvements in automation connectivity to ensure successful implementation of the new Child and Youth Management System. USACFSC revised regulations to identify key management controls.

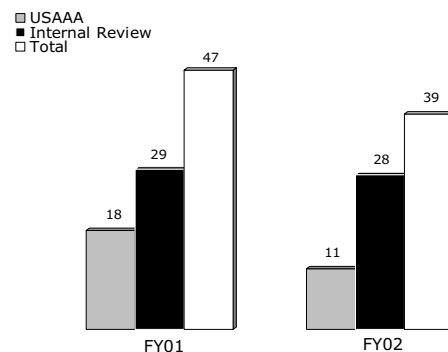
Installation MWR Funds »

Various single location Installation MWR Fund selected financial control audits were performed on a limited basis. No audit trend report has been issued by the USAAA, but site reports continue to indicate the need for better financial internal controls.

Audit Work Years

Time spent by USAAA and Army Internal Review offices auditing NAF decreased from FY01 to FY02 from 47 to 39 work-years (Figure 2-1).

Internal Review audit time decreased from 29 to 28 work-years, and USAAA time decreased from 18 to 11 work-years.



NAF Audit Work Years

Figure 2-1



Financials

MWR is about . . .

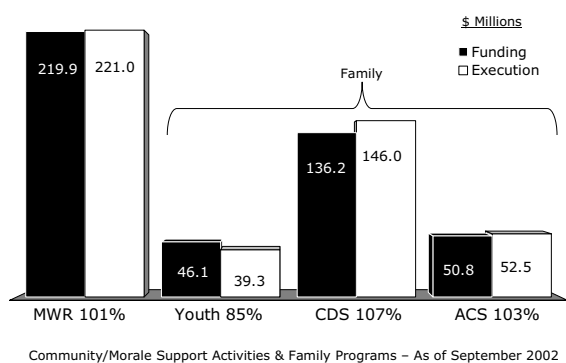
Active duty is tough and demanding. Like everybody else, you need balance and time to recover from a hard day's work; MWR has many ways for you to relax, recharge, renew, and rejuvenate.

Renewal



Total MWR Operating Funds

Army MWR corporate finances are the combined total performance of field operating NAFIs, the ARMP and the AMWRF. The Executive Summary of this report shows how these elements, in the aggregate, performed from FY01 to FY02.



Execution by Management Decision Package

Figure 3-1

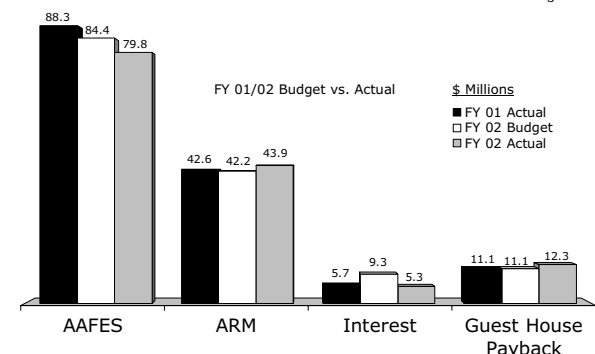
Direct Appropriated Fund Support

Figure 3-1 displays FY02 execution by Management Decision Package. For the first time in five years, .L account execution (MWR) was more than the initial funding levels. This is clear evidence of the high priority soldier MWR programs received from garrison commanders this year.

The .L account and family program accounts obligated at 101.5 percent of funding in FY02. The .L account executed \$221M (101 percent of funding) in support of Community and Morale Support Activities (i.e., military MWR programs). Family programs (Child Development, Youth Programs, and Army Community Service) executed \$238M (102 percent of funding). On a dollar basis, these amounts were \$8M more than actual FY01 execution for the .L account and \$18M more for the family program accounts. The FY02 approved level of total program funding was \$0.2M less than FY01. Total execution increased by \$26M compared to FY01.

FY	MWR BOD NIBD Standard	\$ Actual NIBD	% Net Total Revenue (Less USA)
As % of Total Revenue			
96	5%	\$ 65.1 M	7.8%
97	5%	\$ 75.8 M	8.9%
98	7%	\$ 66.9 M	8.8%
99	8%	\$ 88.6 M	11.4%
00	8%	\$ 116.7 M	14.3%
01	8%	\$ 117.1 M	14.7%
02	8%	\$ 103.8 M	13.5%

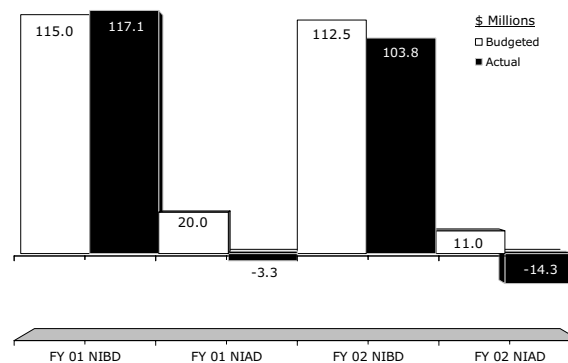
Figure 3-3



Nonoperating Revenue

Figure 3-5

This section reviews field operating results for the same period and addresses individual Headquarters, Department of the Army funds managed at the USACFSC.



Total MWR NAFI Worldwide NIBD/NIAD

Figure 3-2

Nonappropriated Funds

Total MWR funds showed substantial financial impacts following September 11, 2001 and the heightened level of security, but the level of this impact lessened by the end of FY02. For the year, Armywide MWR Funds reported NIBD of \$103.8M (13.5 percent of net revenue), versus \$117.1M (14.7 percent of net revenue) for FY01. The level of NIBD earned in FY02 exceeded the MWR BOD standard by 5.5 percentage points (Figure 3-2). Net revenue for FY02, at \$771.3M, was \$23.1M less than that reported for FY01.

The Army has exceeded MWR BOD standards for seven consecutive years (Figure 3-3), and installations demonstrate an ability to reach even higher goals (Figure 3-4). Nonoperating revenue decreased \$6.4M from FY01 due to lower AAFES revenue and interest income (Figure 3-5). For NAF functional operating results (Figure 3-6), Category A and B programs improved for FY02; Category C's decrease reflects the impact of heightened levels of security.

FY	MWR BOD NIBD Standard	Capital Reinvestment Assessment	Cash Generation Standard	Actual Cash Generated
As % of Total Revenue				
		As % of Total Revenue	(NIBD+CRA)	%
96	5%	2%	7%	9.8%
97	5%	3%	8%	11.9%
98	7%	2%	9%	8.8%
99	8%	2%	10%	11.4%
00	8%	2%	10%	14.3%
01	8%	2%	10%	14.7%
02	8%	*2%	10%	13.5%

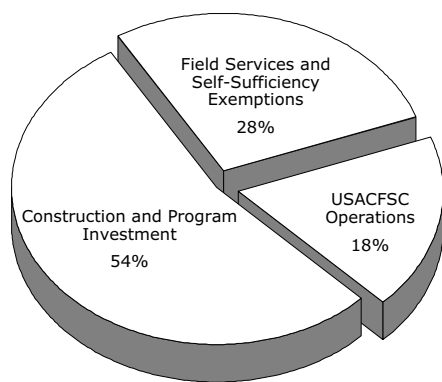
* USACFSC AFRCs at 3%

Figure 3-4

Functional NAF Operating Results

	\$ M	FY00	FY01	FY02
Income Generators				
Category C Programs		71.8	55.0	51.1
External Revenue		146.4	159.8	154.2
Subtotal		218.2	214.8	205.3
Income Users				
Category A Programs		- 4.1	- 4.2	- 3.9
Category B Programs		6.9	6.9	7.4
Overhead Expense		- 88.5	- 85.2	- 89.1
Capital Reinvestment Assessment		- 15.8	- 15.2	- 15.9
Subtotal		- 101.5	- 97.7	- 101.5
NIBD		\$ 116.7	\$ 117.1	\$ 103.8
% of Net Revenue		14.3%	14.7%	13.5%

Figure 3-6



Uses of an AMWRF Dollar

Figure 3-7

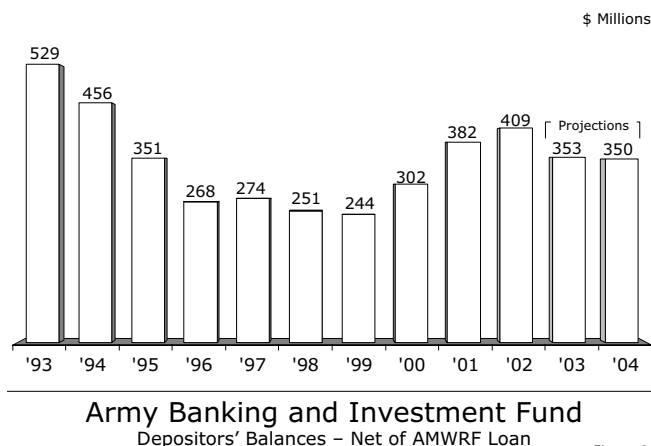
Army Banking and Investment Fund
Depositors' Balances - Net of AMWRF Loan

Figure 3-8

Army Operating Funds

This section addresses individual Headquarters, Department of the Army funds managed at the USACFSC.

Army Morale, Welfare and Recreation Fund

This is the MWR Board of Directors' ninth year of financing strategies to modernize the MWR NAF physical plant. The long-range plan redirects field NAFI revenue to the AMWRF for worldwide application and authorizes borrowing from the Army Banking and Investment Fund. In FY02, this extremely aggressive capitalization plan paid out \$31M for regular construction. While the largest portion of the AMWRF's cash finances capital requirements, the fund also invests in other Armywide programs, such as master training, interns, patron surveys, and marketing research. The next largest allocation is for field exemptions and services, such as self-sufficiency exemption dividends, capital purchase and minor construction grants, Army sports, and Better Opportunities for Single Soldiers. The fund also supports a portion of the NAF administration budget for the USACFSC. Figure 3-7 shows how the AMWRF dollar was allocated for FY02.

Army Banking and Investment Fund

The Army Banking and Investment Fund manages a pool of U.S. Government securities on behalf of participants and pays interest based on portfolio earnings. During FY02, the ABIF provided cash management and investment services to 400 Army and DoD entities. Participants earned a compounded rate of 4.36 percent on their average deposited balance. During the year, the ABIF distributed \$19.1M as interest income, up from 14.5M in FY00. Invested cash rose from \$382M to \$409M from FY01 to FY02 (Figure 3-8).

Army Central Insurance Fund

The Army Central Insurance Fund provides comprehensive property and casualty insurance through a self-insured program for all NAF programs. The ACIF purchases commercial property insurance which serves as reinsurance against catastrophic loss. During FY02, the trend of catastrophic losses caused by fire, flood and windstorm continued, resulting in claim payments for damage to NAF buildings and contents totaling \$1.1M. Accidents causing damage to NAF operated vehicles resulted in losses of \$414K. Losses resulting from the theft or robbery of NAF money and securities resulted in claim payments of \$209K. The cost of general and vehicle tort claims for bodily injury and property damage due to negligence amounted to \$1.6M. The increased cost of workers' compensation claims resulted in an increase in the rate charged to CONUS installations for FY03. The cost of unemployment compensation for FY02 increased by 29 percent over the previous year. The ACIF had a net operating loss of \$4.3M for the year, directly attributable to the increased cost of commercial property insurance resulting from the events of September 11, 2001, and the increase to the actuarial reserves required for workers' compensation claims.

Army Recreation Machine Trust Fund

The Army Recreation Machine Trust Fund administers the Army Recreation Machine Program operating profits. In FY02, the ARMTF received \$77.7M in profit distribution, a \$3.3M increase over FY01. Major uses of cash in FY02, on a cash flow basis (which includes cash on hand at the beginning of the year) were \$70.8M in shared distributions and \$8.6M for internal ARM operations capital expenditures.

US Army NAF Retirement Fund		
Asset Class	Amount \$M	Percent %
Common Stock	\$ 234.7	49.1 %
Bonds and Debentures	165.7	34.6 %
Venture Capital	30.7	6.4 %
U.S. Government Securities	18.3	3.8 %
Insurance Contracts	14.7	3.1 %
Cash and Equivalents	14.3	3.0 %
Total	\$ 478.4	100 %

Figure 3-9

US Army NAF Employee 401(k) Fund			
Avg Total Returns Period Ending 30 Sep 02			
Investment Fund	1 Year	5 Years	Life of Fund
Retirement Money Market	1.82 %	4.66 %	5.27 %
U.S. Bond Index	7.81 %	7.63 %	8.48 %
Asset Manager	-8.17 %	2.87 %	9.63 %
Growth and Income	-17.40 %	0.24 %	13.59 %
Growth Company	-26.69 %	-1.72 %	12.93 %
Overseas	-14.46 %	-5.43 %	11.19 %
U.S. Equity Index	-20.59 %	-1.79 %	10.50 %
T. Rowe Price	N/A	2.27 %	13.54 %
Dodge & Cox	N/A	5.61 %	11.44 %

Figure 3-10

Army Central Retirement Fund

The ACRF represents the total of employee and employer contributions and investment earnings on those contributions (plan assets) for the U.S. Army NAF Employee Retirement Plan. The fund pays accrued benefits to participants and their survivors as determined by a formula based on salary and years of service.

As of 1 October 2002, the date of the last actuarial valuation, the value of benefits that participants have earned to date (actuarial present value of accumulated plan benefits) was \$509.7M. This is the amount required to satisfy all the plan's obligations if it were terminated today. The market value of assets available on 1 October 2002 was \$472.4M.

A more important measure of the plan's financial health is its ability to meet obligations for benefits that will be earned in the future. An enrolled actuary makes these computations annually. As of 1 October 2002, the total actuarial accrued liability was \$554.9M compared with \$521.7M one year before, with the actuarial value of assets at \$566.9M. This surplus represents the continued strength of the fund, notwithstanding the generally unfavorable status of investment markets.

Retirement plan assets are in a trust fund that can only be used to provide benefits to participants as authorized by the plan. Five trustees are responsible for investing assets in authorized investments such as stocks, bonds, real estate, and government instruments. Assets are invested so that, over time, the return on investment meets the long-term assumptions on which the plan is based. The plan paid NAF retirees and their beneficiaries \$25.2M in FY02 including a 1.4 percent cost of living increase on 1 April 2002.

On 30 September 2002, the market value of the plan's assets totaled \$478.4M. These assets were invested as shown in Figure 3-9. The return on investment earned by these assets for the year ending 30 September 2002 was (8.8) percent.

Army Medical / Life Fund

The Army offers health, dental, and life insurance benefits to its regular NAF employees as a participant in the DoD Uniform Health Benefit Plan. The AMLF collects premiums from employers and employees based on participant enrollment in the health benefits options. Alternatively, employees may elect health benefits coverage through health maintenance organizations in some locations. Claim expenses for the DoDHBP are satisfied by direct disbursements to affiliated medical service providers after the plan takes its discounts. When services are provided from outside the network or for any dental claims, participating employees are reimbursed directly. In order to preserve the tax-preferred status of life insurance benefits, the Fund reimburses a contracted insurance carrier for benefits paid to beneficiaries of deceased participants in the life insurance program.

401(k) Savings Plan

The US Army NAF 401(k) Savings Plan continues to be a valuable benefit for employees who are working to achieve financial security. The total individual 401(k) Savings Plan account balances were \$136.6M, an increase of \$4.3M from the previous year. This modest increase was a result of continued contributions, coupled with a decline in value as a direct result of the stock market performance during the year. Figure 3-10 shows investment returns for the nine funds available to employees as investment options. Participation in the US Army NAF Employee 401(k) Savings Plan continues to grow. As of September 30, 2002, there were 10,211 active participants, which was 56 percent of the eligible employees. This 8.2 percent enrollment increase reflects the efforts of personnel managers in promoting participation in the plan.

Summarized Balance Sheet

Below are the summarized balance sheet (Figure 3-11) and the summarized statement of income and expense (Figure 3-12) to support the analysis in the Executive Summary.

Army Operating Funds for FY02 exclude Army Lodging and Supplemental Mission NAF Instrumentalities. These funds are separate from the operating funds represented here.

The Army Operating Funds for FY01 and FY02 have been reconfigured to exclude Guest Houses (transferred to Army Lodging) and supplemental mission NAFIs.

Army MWR Operating Funds collective financial position, as of 30 September 2002, reflected significant changes in certain asset and liability accounts when compared to the same data in the prior year. This is largely the result of the BOD-approved capital improvement initiative for AFRC-Europe and Shades of Green®. The increase in cash reflects the balance of the loan proceeds that will be used to finance the improvement of those two properties. This is offset by the Contract Liability increase in Current Liabilities. While the increase in Fixed Assets largely reflects the recording of completed capital expenditure transactions, \$12M is the result of transferring the lease for Shades of Green® from a prepaid current asset to land improvements. The increase in Other Assets of \$101.2M is primarily due to recording the loan proceeds less the balance of the construction payable for the projects.

Summarized Balance Sheet: Army MWR Operating Funds

		30 Sep 01	30 Sep 02	Change
Assets	Current Assets			
	Cash/Investments	252,828,813	329,358,860	76,530,047
	Receivables	59,791,296	61,925,546	2,134,250
	Inventories	23,679,274	22,090,110	(1,589,164)
	Prepaid Items	<u>22,173,043</u>	<u>9,290,287</u>	<u>(12,882,756)</u>
	Total Current Assets	358,472,426	422,664,803	64,192,377
	Fixed Assets	2,054,950,561	2,284,514,306	229,563,745
	(Less) Accumulated Depreciation	<u>958,075,476</u>	<u>1,051,007,562</u>	<u>92,932,086</u>
	Book Value Fixed Assets	1,096,875,085	1,233,506,744	136,631,659
	Other Assets			
	Capital Commitment/Sinking Funds	17,426,855	10,522,318	(6,904,537)
	Separation Sinking Funds	2,341,255	2,138,907	(202,348)
	Other	8,197,413	109,366,363	101,168,950
Total Assets		\$ 1,483,313,034	\$ 1,778,199,135	\$ 294,886,101
Liabilities				
	Current Liabilities			
	Accounts Payable	36,085,488	37,520,691	1,435,203
	Other	<u>127,598,152</u>	<u>192,795,504</u>	<u>65,197,352</u>
	Total Current Liabilities	163,683,640	230,316,195	66,632,555
	Total Long Term Liabilities	<u>133,350,366</u>	<u>263,609,097</u>	<u>130,258,731</u>
	Total Liabilities	297,034,006	493,925,292	196,891,286
Fund Equity		<u>1,186,279,028</u>	<u>1,284,273,843</u>	<u>97,994,815</u>
Liabilities and Fund Equity		\$ 1,483,313,034	\$ 1,778,199,135	\$ 294,886,101

Figure 3-11

Summarized Income and Expense Statement

The overall position of the Army Operating Funds was sound as of 30 September 2002. Current assets hold a 1.8:1 ratio over current liabilities, with an acid test ratio of 1.7:1.

Figure 3-12 illustrates the statement of FY02 APF and NAF operations compared with FY01. The NAF revenue and expenses have been reduced in this display in order to preclude overstatement of APF and NAF resources due to Utilization, Support and Accountability.

Total APF support increased \$96.4M compared with last year. There was a \$26M increase in Operation and Maintenance, Army, and a \$65.4M increase in Military Construction, Army, which accounted for the majority of this positive change.

NAF revenue decreased by \$26.8M from FY01. Lower exchange payments (-\$8.6M) and other operating revenue (-\$21.2M) accounted for the lion's share of the decline. Increased Army Recreation Machine revenue helped to offset the decline. The NAF expenses reflect a 3.7 percent reduction. This includes a 1 percent increase in NAF overhead labor, excluding USA supported positions. As a percentage of NAF revenue, operating labor decreased 1.6 percentage points.

Cash generated from operations totaled \$170.3M for FY02, matching last year's effort.

Summarized Income and Expense Statement: Army MWR Operating Funds

	FY01	FY02	Change
Revenue			
APF:			
Military Personnel	8,372,349	13,406,432	5,034,083
OMA	463,043,575	489,386,214	26,342,639
Other Operating	6,495,711	6,992,662	496,951
DLA/DoD	12,086,064	11,191,273	(894,791)
<u>MCA</u>	<u>13,200,000</u>	<u>78,600,000</u>	<u>65,400,000</u>
Subtotal	\$ 503,197,699	\$ 599,576,581	\$ 96,378,882
NAF:			
Sales	226,351,532	224,875,989	(1,475,543)
Gross ARM Revenue	123,647,605	128,223,110	4,575,505
Central Fund AAFES Dividend	54,607,653	54,986,634	378,981
ASD/Other AAFES	88,304,490	79,752,126	(8,552,364)
Other Revenue *	399,854,035	378,687,640	(21,166,395)
<u>Interest Income</u>	<u>6,789,768</u>	<u>6,205,115</u>	<u>(584,653)</u>
Subtotal *	\$ 899,555,083	\$ 872,730,614	\$ (26,824,469)
Total Revenue and Appropriations	\$ 1,402,752,782	\$ 1,472,307,195	\$ 69,554,413
Expenses			
APF:			
Operating Labor **	186,840,010	199,893,475	13,053,465
Overhead Labor **	50,165,361	44,374,851	(5,790,510)
APF Support for USA Labor	71,909,715	96,713,752	24,804,037
<u>Other Operating Costs</u>	<u>181,082,613</u>	<u>179,994,503</u>	<u>1,088,110</u>
Subtotal	\$ 489,997,699	\$ 520,976,581	\$ 30,978,882
NAF:			
Cost of Goods Sold	96,459,090	94,200,917	(2,258,173)
Operating Labor *	343,562,652	319,783,587	(23,779,065)
Overhead Labor *	107,404,767	106,603,282	(801,485)
<u>Other Operating Costs *</u>	<u>181,804,306</u>	<u>181,865,038</u>	<u>60,732</u>
Subtotal *	\$ 729,230,815	\$ 702,452,824	\$ (26,777,991)
Total Operating Expenses	1,219,228,514	1,223,429,405	4,200,891
<u>Military Construction Army</u>	<u>13,200,000</u>	<u>78,600,000</u>	<u>65,400,000</u>
Net Income Before Depreciation	170,324,268	170,277,790	(46,478)
<u>Depreciation</u>	<u>122,303,757</u>	<u>123,665,741</u>	<u>1,361,984</u>
Net Income (Loss)	\$ 48,020,511	\$ 46,612,049	\$ (1,408,462)

Figure 3-12

* Net of USA revenue: FY01 - \$97,793,358; FY02 - \$ 126,747,584

**Includes General Schedule, Foreign Nationals, Wage Grade, and Military Personnel Army



Workforce

MWR is about . . .

Your well being is important to us. Through MWR, you have a "safety net" of professional resources that promote personal and family stability and give you peace of mind about what's important in your life.

Peace of Mind



For the 34,000 employees who deliver MWR worldwide, the Army provides a wide menu of services from referral, training, benefit management and administration to career field management.

White Plume Awards

The White Plume was established in 1982 by the Adjutant General of the Army to recognize outstanding service and contribution to MWR and family programs. It is the Army's highest medal for achievement in support of Army MWR. Winners of the White Plume (Figure 4-1) represent true service to the soldier, the Army, and the nation.



2002 White Plume Awards

Col. William T. Babylon	FORSCOM
Parker T. Bradley, Jr.	FORSCOM
Paul Burk	TRADOC
John C. Bush	TRADOC
Ronald Courtney	USACFSC
Dorothy A. Cowart	USAREUR
Robert Crawley	AMC
Virginia Daughtry	TRADOC
Edward F. Gonzales	MDW
Richard Gorman	USACFSC
Lt. Gen. James T. Hill	FORSCOM
Donald L. Hulst	USMA
Ruth E. Lee	TRADOC
James H. Lindamood	USACFSC
Robert E. Managh	INSCOM
Norman H. Marcus	USAREUR
Russell L. Morrison	USACFSC
Thomas P. Regan	FORSCOM (Posthumous)
Samuel C. Sakorafis	USARPAC
James Sohre	USAREUR
Randey Stanaland	USARPAC
Brig. Gen. Antonio M. Taguba	USACFSC
James R. Thomas	USACFSC
Shirley A. Wallace	FORSCOM

Figure 4-1

NAF Employee Benefits

The Army provides an extensive menu of benefits for the 34,000 worldwide NAF employees that deliver MWR programs. FY02 highlights included:

- All benefit programs were reviewed and adjusted in FY02 to comply with provisions of the Uniformed Services Employment and Reemployment Rights Act to ensure proper support to NAF employees who are called to active military service.
- The USACFSC Benefits Office delivered benefit presentations and one day retirement seminars, in cooperation with Fidelity Investments, to installations. Periodic flyers were issued for electronic and mail distribution to eligible employees and NAF Civilian Personnel Units to enhance understanding of benefit programs and improve benefit transaction accuracy.
- Benefit levels in the DoD Uniform Health Benefits Plan were maintained, meeting the challenge of providing quality, affordable health care to Plan participants in an environment of dramatically increasing health care costs. To improve coverage, the Army coordinated with Aetna, the plan's third-party administrator, to increase network coverage for participants. Electronic eligibility data transfer between the USACFSC Benefits Office and Aetna was also implemented to improve enrollment data and internal controls.
- The NAF Employee Retirement Plan was restated to implement provisions of the Economic Growth and Tax Relief Reconciliation Act of 2000, and the new plan was qualified by the Internal Revenue Service. A Portability Project Office was established to audit and correct service records, to plan participation of employees who transfer between the APF and NAF personnel systems under the portability legislation and to establish ongoing processes to ensure portability employees receive proper service credit and are properly enrolled in benefit programs.
- The 401(k) Savings Plan was restated and received IRS qualification. Provisions of the Economic Growth and Tax Relief Reconciliation Act of 2000 were implemented, including expanded loan provisions, elimination of percentage caps, increase in annual deferral limits, and an over-50 catch-up provision. A service enhancement program with Fidelity Investments continued to improve the Plan with automatic loan default notification and new data exports that improve data accuracy between the Benefits Office and Fidelity systems. Two additional investment funds were offered to plan participants, increasing fund choices to nine.
- A new NAF Long Term Care Insurance Program was established under contract with the CNA insurance group. The initial employee open enrollment is scheduled for the first quarter of FY03.
- Phase II of the Benefits On-Line System was fielded, making it possible for Civilian Personnel Offices to process all benefit transactions and data input through the internet directly into an automated benefits system with no hard copy input. The NAF benefits web site also continued to expand and improve.
- The USACFSC is coordinating with the Civilian Personnel Operations Center Management Agency to improve personnel technician knowledge of benefit programs and processing requirements taught in the NAF Personnel Technicians Course.



Falls Church, Va.

The MWR Academy's management trainee program provides an overview of Army MWR policies and procedures.

- Photo courtesy of MWR Academy

Career Development Programs

Career Development and Staffing

The USACFSC continues to assist commanders in filling MWR vacancies, both APF and NAF, at grades GS-9/NF-4 and above. A total of 380 referral lists were issued in CY02. It took an average of 24 calendar days to prepare a referral list, including advertising. A contract with Workforce Technologies, Inc. was awarded to develop and implement a web-based requisition builder. This initiative will allow commanders to submit referral requests to the USACFSC via the Internet and to download completed referral lists and resumes. The new system should be operational in 2Q, FY03.

Development efforts continued on the Career Management and Staffing Program. The CMSP represents a long-term strategy to develop and institutionalize MWR manager succession planning. Policy development continues on the CMSP initiative. Central funding of PCS moves for NF-5 MWR employees, a key CMSP feature, was implemented at the close of FY02.

NAF Management Trainee

The centrally funded NAF management trainee program places college graduates with certain specialized degrees into MWR positions. During 2002, seven graduates from the FY00/01 programs completed on-the-job training and moved into permanent placement positions. One remaining FY01 trainee is pending placement. In FY02, ten trainees were recruited into the program:

- 2 Personnel Specialists
- 1 Child and Youth Services
- 2 Clubs
- 1 Army Lodging
- 2 Outdoor Recreation
- 2 Marketing

Regional training sites for these positions are located at Picatinny Arsenal, N.J.; Redstone Arsenal, Ala.; Fort Benning, Ga.; Fort Jackson, S.C.; Fort Carson, Colo.; and Fort Bliss, Texas.

The training program had a 2-month gap in FY02 when there was no program manager. In an effort to overcome recruiting challenges and meet program requirements, the new program manager used on-line job-posting sites that were established in FY01, added a second on-line recruiting site and attended several conferences and on-campus job fairs. These efforts netted the quota of 10 trainees per annum. Since the inception of the management trainee program in 1994, this is only the third time that all ten trainee positions have been filled, and the first time since FY97.



Falls Church, Va.

Training at the MWR Academy ranges from program-specific operations to installation-level management for general officers.

- Photo courtesy of MWR Academy

Master Training

The MWR Academy, located in Falls Church, Va., offers courses for the Army and its sister services. Academy courses support the MWR Master Training Plan by training entry-level managers through general officers serving as installation commanders.

Web-based training is still at the forefront of planning and development efforts. The basic management course and MWR orientation course will be web-based by FY 03.

Since 1988, the MWR Academy has trained 19,615 students. In FY02, the Academy trained 2,543 Army, Marine, Navy, Army Reserve, Army National Guard, and Air Force Reserve students.

The MWR Academy delivers 25 percent of its training at the installation, 35 percent at the Academy, 26 percent by correspondence, 10 percent by contract off-site, and 4 percent at the MWR Culinary Academy in Fort Lee, Va.

The American Council on Education evaluates MWR Academy courses and recommends college credit for many offerings. Neither the ACE nor the MWR Academy grants college credit, but ACE recommendations encourage colleges and universities to award credits to students participating in applicable degree programs.

MWR Academy FY02 Student Totals by Course			
46	AFRC/ARMP Management Course	56	Garrison Pre-Command Course
288	Applied Financial Planning	41	Garrison Sergeant Major Course
18	Army Community Service Directors' Course	20	General Officer Installation Commander's Course
60	Boys and Girls Club of America	29	Golf Superintendents' Course
34	Business Program Managers' Course	9	Hospitality Sales and Advertising
6	Catering Professionals' Course	20	ISO Training Courses
17	Catering Skills Course	28	Lodging Customer Service
10	Construction Contracts	26	Lodging Front Office Operations
202	CFS Management Course (Completed Resident)	29	Lodging Human Resource Management
552	CFS Management Course (Enrolled Correspondence)	26	Lodging Management
24	Contract Administration	30	Lodging Strategic Financial Planning
19	Contract Law	22	Marketing Managers' Course
15	Contract Source Selection	59	NAF Contracting, Advanced
21	Contract Oral Presentation	103	NAF Contracting, Basic (Enrolled Correspondence)
17	Cost and Price Analysis	77	Operation Excellence
24	Contract Project Management	14	Performance Analysis in Hospitality Organizations
241	CYS Basic Management Tools Mini Courses	18	Process and Quality Leadership Tools for Hospitality
57	CYS School Liaison Services / Youth Education	14	Quick Services Skills Course
17	Effective Organizational Leadership for Hospitality	23	Recreation Managers' Course
15	Food and Beverage Automation Courses	109	RecTrac Application Administrators' Course
10	Food and Beverage Executive Seminar	25	Relocation Assistance Program Managers' Course
25	Food and Beverage Management Course	18	Snack Bar Management Course
13	Full-Service Culinary Skills Course	2	Strategic Leadership for Hospitality Managers
4	Garrison Chief of Staff Course	10	Value Creation in Hospitality Organizations
2,543		Total	

Figure 4-2



Management Summaries

MWR is about . . .

Soldiers continually train to build and sharpen their skills. MWR is there for the rest of their lives. Soldiers and their families have a world of choices for personal growth, self-enrichment, learning and discovery.

Growth



Army Community Service

Army Community Service provides programs for consumer affairs and financial assistance, emergency assistance, exceptional family members, family member employment assistance, family advocacy, foster care, information and referral, outreach, relocation assistance, mobilization and deployment, and installation volunteer support. ACS includes the Army Family Action Plan and Army Family Team Building programs and may also support Family Readiness Groups, Army Emergency Relief, mayoral programs, and transition assistance.

The overall FY02 OMA execution was \$55.7M (Figure 5-1), or an overall 103 percent execution rate. Commanders recognize the need for family programs, and move funds into the QACS Management Decision Package. In FY02, the family advocacy and relocation programs obligated \$38.6M and \$4.5M in OSD funding, respectively.

The ACS Performance Awards visibly and tangibly recognize individual and installation ACS efforts and demonstrate support and appreciation of the ACS team (Figure 5-2). Within each award, there are categories for large, medium and small installation.

Operations Noble Eagle / Enduring Freedom

ACS centers worldwide have actively supported soldiers and families since the beginning of Operations Noble Eagle and Enduring Freedom. The ACS staff support soldier readiness processing centers at power projection platforms by talking with soldiers as they process through to identify family concerns that may keep soldiers from focusing on the mission. Staff members provide pre- and post-deployment briefings and training for family readiness groups, family readiness liaisons, and rear detachment commanders, conducting 4,700 sessions with 210,000 soldiers and family members. Many installations expanded operating hours and activated toll-free telephone numbers to facilitate assistance to families. The National Guard identified a family assistance point of contact for each deployed unit to provide information and referral to families. Installations continue to improve family assistance plans, conduct family assistance center exercises, and participate in inter-service family assistance committees. Homeland security and increased force protection measures at Army posts continue to require "out-of-the-box" thinking to deliver assistance and information services to families in times of emergencies.

Army Family Team Building

Army Family Team Building is a family readiness training program that provides active and reserve components with the information, knowledge, and skills to be self-reliant by using existing community support programs. As a volunteer program, AFTB was designed and written by and for volunteer family members and is managed by volunteers to the greatest extent possible.

The AFTB train-the-trainer program is very effective: DA-certified core instructors train and certify volunteer master trainers. Upon certification, core instructors incur a two-year commitment to AFTB and master trainers a one-year commitment. Master trainers are required to return home and train other volunteers as instructors, who in turn teach AFTB level I, II, and III courses at the grass-roots level. Master Trainers also serve as program managers and in a

Army Community Service Operating Costs (OMA)		\$ M
		FY02
Exceptional Family Member Program		2.4
Family Advocacy		7.7
Employment Readiness		3.4
Foster Care		0.2
Financial Readiness		6.3
Information, Referral and Follow-Up		2.4
Outreach		4.5
Relocation Assistance		4.3
Army Family Action Plan		0.1
Deployment/Mobilization		0.3
Army Family Team Building		3.1
ACS-Base		21.0
		\$ 55.7

Figure 5-1

ACS Performance Awards	
Outstanding Individuals	
Large Installation	Donna Finney Relocation Assistance Manager, Fort Carson, Colo.
Medium Installation	Kim Killer Community Programs Manager, Fort Sam Houston, Texas
Small Installation	Sandra Cox Administrative Coordinator, Bamberg, Germany
Sterling Performance	
Large Installation	Rebecca Welch Family Advocacy Program Manager, Fort Benning, Ga.
Medium Installation	Terry Quattlebaum Employment Readiness Program Manager, WRAMC, D.C.
Small Installation	Clara Schueler Family Advocacy Program Manager, Schweinfurt, Germany

Figure 5-2

variety of volunteer support roles. In FY02, AFTB trained 11,000 family members (active, Guard and Reserve) in Levels I, II, and III. To support programs at the local level, DA certified 300 Master Trainers from each component.

Level I, II, and III Family Member training modules are designed to teach family members the Army's culture and life skills that will enhance their self-sufficiency, prepare volunteers and family members for leadership roles within the military community and harness the experience of senior spouses. The AFTB program is an excellent educational tool for any family member group.

In FY02, AFTB became an integral component of the ACS Accreditation Program to ensure that installation programs possess and maintain the level of quality performance specified by standards established by the MWR BOD. Funding for AFTB and AFAP program manager positions also continued in FY02, with a second phase adding program managers for the Military District of Washington, the National Guard, and the Army Reserve. The third and final phase, which funds the remainder of the Army, will begin in FY03.

The AFTB program will publish its first Army regulation in FY03 and develop outcome measures as part of an overall strategy to enhance programs and services to the military community.

In FY02, AFTB established and implemented the AFTB Advisory Council. The Council's role is to advise the USACFSC Commander regarding the direction of the program, recommend long-range goals and serve as an advocate for the program and its volunteers. Membership consists of senior spouses from each of the MACOMs and AFTB volunteers who represent the regions. The Council meets twice annually to discuss and review AFTB issues from the field.

Learn more about AFTB at its website: <http://www.aftb.org>.

Army Community Service

Army Family Action Plan

Installations and MACOMs conduct annual AFAP conferences to pinpoint community and Armywide issues and make recommendations for their resolution. For 19 years, grassroots delegates from the Army's active, National Guard, and Reserve components have gathered to review well-being issues. The most critical issues are submitted to the HQDA worldwide AFAP conference, ensuring an information loop between the global Army family and Army leadership. Issues and concerns most important to soldiers, family members, retirees, and DA civilians allow leadership to improve standards of living and institute programs and services that foster satisfied, informed and self-sufficient individuals. The AFAP provides insight into satisfaction detractors, well-being needs and the expectations of Army constituents.

The AFAP supports readiness by improving entitlements, benefits and programs, helping to make the Army an attractive career choice and retaining soldiers and their families on a long-term basis. Ninety percent of AFAP issues are worked at local levels to improve local Army communities. Other issues are reported to leadership for resolution. The HQDA AFAP has seen 542 issues submitted for resolution, resulting in 82 legislative changes, 130 policy or regulatory changes and 140 program or service improvements.

The FY02 HQDA AFAP was delayed from December to March because of the events of September 11, 2001. Conference issues focused on entitlements and family support (Figure 5-3). Delegates voted on the most valuable services: medical and dental issues (for the 7th consecutive year), housing, ACS, and AFAP. The most critical active issues were housing, pay, spouse tuition assistance, relocation, and benefits.

The following legislative, policy and regulatory changes were implemented in FY02 as a result of the AFAP process:

- The 2002 National Defense Authorization Act authorizes soldiers making their first permanent change of station to receive a dislocation allowance, minimizing out-of-pocket expenses to relocate and establish households.
- The NDAA increased the administrative weight allowance (used when soldiers move to locations where housing provides furniture) from 2,000 to 2,500 pounds for grades E1-E5. The PCS weight allowance increased from 5,000 to 8,000 pounds for grades E1-E3 with dependents, and from 7,000 to 8,000 pounds for grade E4. Weight allowances for soldiers without dependents increased to 5,000 pounds for grades E1-E3 and to 7,000 pounds for grade E4.
- The NDAA authorizes concurrent receipt of retired military and disability pay, contingent on funding (with qualifications).
- The NDAA authorizes distribution of Montgomery GI Bill benefits to the family members of soldiers with designated critical skills.
- The NDAA authorizes personnel from both the Civil Service Retirement System and Federal Employee Retirement System to receive retirement coverage for prior NAF service.
- Legislation in the NDAA reauthorized Impact Aid to schools and increased funding levels 15 percent.
- OSD policy now requires training for TRICARE personnel.
- Army policy now allows Family Readiness Groups to include personal and social information in newsletters and outlines responsibilities for the cost of sewing insignia on enlisted soldier clothing bag items.
- Other results include the establishment of an overseas tuition assistance program for spouses, supply of deployment medication information sheets to soldiers, and allowing direct contact between enlisted soldiers and assignment managers.

2002 AFAP Field Issues

1	Concurrent Receipt of Retired Military and Veterans Affairs Disability Pay
2	Basic Allowance for Housing for Activated Reserve Component
3	Distribution of Montgomery GI Bill Benefits to Dependent(s)
4	ACS Manpower Authorizations and Funding
5	Employment Status for OCONUS Family Members

Figure 5-3

Funding continued for AFAP/AFTB program manager positions in FY02. The Military District of Washington, the National Guard, and Army Reserve received initial funding for positions, adding them to the already funded power projection/support platform and forward deployed sites. Funding of the remaining positions across the Army will begin in FY03. Funding was also the result of an AFAP issue, demonstrating Army support to the program.

Accreditation of the AFAP program remains the primary measure to ensure that installations possess and maintain the level of quality performance specified in MWR Baseline Standards. Accreditation guarantees that soldiers, civilians, families, and retirees have consistent levels of support regardless of assignment, thereby contributing to well-being and mission readiness. The AFAP regulation, to be published in FY03, will reference the implementation of outcome measures to enhance programs and services for the military community.

The Army is the only service that has instituted such a program as the AFAP, yet it benefits all branches. Fifty percent of AFAP issues are applicable across DoD. The AFAP program is the voice of the Army family—its goal is to make the Army a good career choice, a good place to call home and a good life.



Spc. Janet Miller, 9th Theater Support Command, gets a farewell kiss from her niece during a departure ceremony. - Photo by Sgt. 1st Class Neely Snyder

Employment Readiness

In FY02, the Employment Readiness program served 281,119 worldwide clients. Job search and career assessment counseling was provided to 54,878 clients (5,399 soldiers, 37,298 family members, 4,991 DoD civilians, 2,226 retirees, and 4,964 other), and job skills training to 20,203 clients. Total program funding was \$3.4M, making the average cost per customer \$12.00. The program made 35,733 job referrals and helped secure paid employment for 7,086 family members, bringing in revenue of \$141M to Army households—a very high return on Army dollars.

In December 2002, the CSA hosted a summit to develop strategies to reinvigorate the Army's spouse employment program. Senior executives from 17 Fortune 500 corporations attended, from companies such as Bell South, Computer Science Corporation, Merck, CVS Pharmacies, Dell Computers, DynCorp, Hospital Corporation of America, Home Depot, Lockheed Martin, Manpower Inc., Sears Logistics, Sprint, State Farm Mutual Insurance, AAFES, and Visiting Nurses Association of America. This initiative builds on the CSA's partnership with Investment in America to dialogue with corporations in proximity to installations.

The Army is working with StaffCentrix, LLC, to provide "virtual assistance" training for spouses. Virtual assistants are self-employed individuals offering offsite support services to businesses via the Internet, phone and fax. These virtual services lend themselves to the "nomadic" military lifestyle. StaffCentrix tested the concept at Fort Eustis, Va., and a Fort Carson pilot course in September 2002 graduated 27 family members: 2 male and 25 female attendees, all married to active duty personnel (18 junior enlisted, 6 senior enlisted and 3 officer spouses). Feedback from participants was very positive on the skills they learned.

An Employment Readiness program managers' course will be taught again at the MWR Academy in FY03 to ensure standardized services across the Army.

New Parent Support Program

The NPSP serves service members and their spouses who are parents of infants and children. The NPSP—Standard program provides information and referral to military and civilian programs that focus on family life education, parenting programs, psycho-educational groups, respite care for children, and supervised playtime for children. The NPSP-Plus program is mandated by Congress to serve eligible service members and their spouses who are at risk for child maltreatment and/or family violence. These families benefit from intensive individualized support services based on a home visitation model that may include role modeling/mentoring, pregnancy and parenting education and appropriate military and civilian referrals.

Domestic Violence Task Force

The Defense Task Force on Domestic Violence was chartered by Congress to address domestic violence in the military (P.L. 106-65, Defense Authorization Act for 2000). Task force work groups focused on community collaboration, education, training, offender accountability, victim safety, and program management. The task force has published two reports to Congress and a final report is due in April 2003. The task force has made a total of 200 recommendations, and an implementation team has been established to col-



The New Parent Support Program teaches coping skills to soldiers and their spouses that are parents of infants and young children.
- Photo by Don Parker, U.S. Army Visual Information Directorate

laborate with the OSD office proponents for various policies to implement recommendations.

Family Advocacy Program

Family violence statistics in the Army continue to decline, with 2,370 substantiated cases of child abuse in FY02 compared to 2,917 in FY98. Given the child population for FY98 (441,694) and FY02 (451,035), the Army rate of substantiated child abuse decreased from 7.1/1,000 to 5.6/1,000 (based on initial substantiated cases)—much less than the 14/1,000 in the civilian community reported by the National Committee for the Prevention of Child Abuse. The comparison of civilian and Army Intimate Partner Homicide trends in the past decade suggests that in recent years the Army has done a better job than the civilian community in preventing male to female intimate partner homicide (Gelles, 2003).

There were 3,235 substantiated spouse abuse cases in FY02 compared to 5,108 in FY98. Comparing the populations of married persons (soldiers and spouses) for FY98 (571,769) and FY02 (524,638), the rate of substantiated spouse abuse declined from 9.9/1,000 in FY98 to 6.7/1,000 in FY02. Comparisons with the civilian sector are not possible, as there is no central database for spouse abuse.

Transitional Compensation for Abused Dependents

In the National Defense Authorization Act of FY94, Congress established the TC program for abused dependents of military personnel in order to reduce victim disincentives to report abuse. Legislation authorizes temporary payments, at a rate specified for dependency and indemnity compensation, to families in which the absent soldier has been discharged administratively or by court martial or has forfeited all pay and allowances in disciplinary actions for a dependent-abuse offense. Payments are for a minimum of 12 months or the unserved portion of the soldier's obligated active duty service, whichever is longer but not exceeding 36 months. Recipients of TC also have commissary and exchange privileges and are entitled to receive dental care through military facilities and medical care as TRICARE beneficiaries. In FY02, there were 183 families, including 476 children, who received \$2.7M in benefits—\$935 monthly per spouse and \$234 per each eligible child.

Army Community Service



Fort Campbell, Ky., offers EFMP children a summer camp program where "clowning around" is always allowed.

- Photo courtesy of USACFSC Family Programs

Victim Advocacy

Victim advocacy, an essential component of the Family Advocacy Program, is provided under the supervision of the installation program manager or through memoranda of agreement or contracts with local civilian agencies or shelters. Victim advocacy encompasses a range of comprehensive assistance for victims of spouse abuse, including safety planning, crisis intervention, assistance in securing medical treatment for injuries, information on legal rights and proceedings, and referral to military and civilian shelters and other resources. At some installations, a corps of trained volunteers may provide information and crisis assistance on a 24-hour basis. Victim advocates, in coordination with victim-witness liaisons in installation Staff Judge Advocate offices, assist victims in preparing applications and obtaining legal documentation needed to receive monetary compensation and benefits through such programs as Transitional Compensation and the Office for Victims of Crime.

Financial Readiness

The Financial Readiness program assists commanders in establishing educational and counseling programs for personal financial affairs. Classes on money management, credit, financial planning, insurance, and consumer issues teach soldiers self-sufficiency, reduce indebtedness and lessen demand for emergency financial aid.

Program services include mandatory financial readiness for first-term soldiers through classes on money and checkbook management, banking, debt liquidation, credit, saving and investing, financial planning for deployment, budget development, and record keeping. Other services include consumer complaint resolution, income tax assistance, emergency food assistance, holiday food basket and toy program, and utility waiver assistance.

As an additional participation incentive, soldiers can earn promotion points by completing financial readiness classes provided through ACS. In addition to financial readiness classes, soldiers can earn promotion points by completing New Parent Support classes, Operation Ready and AFTB's Level I program, all of which contribute to better informed, self-sufficient individuals.

Mobilization and Deployment Support

Commanders identify family readiness as a critical need through predeployment, sustainment and postdeployment. The goal is to enable families to function successfully within the Army support network at a time when lengthy deployments are common. Self-reliant families use Army support programs and can handle the challenges of both planned and unplanned separations.

Operation READY (Resources for Educating About Deployment and You) materials on the Army MWR website are available in English, German, Spanish, and Korean. Modules include a leaders' desk reference for soldier and family readiness, a "survival guide" for families and handbooks on Family Assistance Centers and Family Readiness Groups.

Exceptional Family Member Program

The Exceptional Family Member Program works with other military and civilian agencies to provide community support, educational, medical, housing, and personnel services to families with special needs. In FY02, 46,000 sponsors and 59,000 family members were enrolled in the program. The program provided education, training and briefings for 92,086 individuals, conducted recreation and cultural programs for 32,767 individuals, and made 635 respite care placements.

Relocation Readiness Program

Relocation readiness services focus on easing the stress of relocation for first-term soldiers and their spouses. The most widely used service is the Standard Installation Topic Exchange Service. When soldiers, civilian employees and their families relocate, SITES provides information about the next duty station and nearby civilian communities and a "real time" welcome packet. In FY02, more than 191,000 families also made use of ACS lending closets, and 126,000 individuals attended welcome orientations.

The Fourth Annual Joint Services Relocation Readiness Conference was held in Orlando, Florida, May 2002, attended by 273 personnel. The USACFSC also delivers an annual Relocation Readiness Managers' Course at the MWR Academy. The Army continues to encourage program managers to obtain certification through the Employee Relocation Council.

Volunteer Program

Each year ACS volunteers are recognized with the prestigious Emma Marie Baird Award. In 2002 this award was presented to Suella York for her service at three different sites.

CFSC hosted the Army Volunteer Summit in September 2002—a CSA initiative. Attendees developed an action plan to revitalize volunteerism throughout the Army.

The Deputy Under Secretary of Defense (Military Community & Family Policy) published DoD Instruction 1100.21, Voluntary Services in the DoD, on 11 March 2002.

Army Volunteer Recognition in 2002

Emma Marie Baird Award

Suella York

Fort Sam Houston, Texas
USACFSC, Va.
Walter Reed Army Medical Center, D.C.

Figure 5-4



Bakersfield, Calif.

Spc. Rodney Johnson, Bravo Company 3/160 Mechanized Infantry, holds his daughter, Silesia, at the Army National Guard armory in Bakersfield, Calif., after the unit activated in response to the September 11, 2001 terrorist attacks.

- Photo courtesy of Henry A. Barrios, The Bakersfield Californian

Child and Youth Services

Ensuring that Army families have quality child and youth programs that are both affordable and available is a high priority. The objectives of Army Child and Youth Services are to sustain itself as a nationally acknowledged "model for the Nation" for America's child care and to establish itself as the benchmark for America's youth programs in accordance with statutory requirements, DoD policy, and MWR Baseline Standards.

The Army serves 460,000 eligible children and youth (ages 4 weeks to 18 years old) at 125 locations in 28 states, the District of Columbia, and nine countries and territories with the following delivery options:

152	Child Development Centers
131	School-Age Programs
2,806	Family Child Care Homes
136	Youth and Teen Centers
85	Sports and Fitness Programs
83	Instructional Programs
84	Outreach Services
90	School Liaison Programs

Army Child Development Services, School-Age Services, Youth Services, and CYS Liaison, Education and Outreach Services are direct mission-related necessities to an Army that is 52 percent married, with an additional 7.5 percent who are single parents. Commanders, as well as their soldiers and families, consider Army child and youth programs to be an important quality of life and well-being issue.

Army CYS provides a variety of age-appropriate programs—primarily during parental duty hours. CYS offers a safe and constructive environment that contributes to the well-being of the Army—whether specifically serving infants and young children in Child Development Centers and Family Child Care homes in government housing; school age children in before- and after-school programs; middle-school youth and teens in Youth Centers and Teen programs; or the entire age spectrum through team sports, instructional classes, referral services to off-post programs, and school transition support. Success of these programs is ultimately measured by improved soldier and family readiness and a reduction in lost duty hours due to a lack of adequate child care or youth misconduct.

Child and Youth Services

The Child and Youth Services Pioneer Award (Figure 5-5) was instituted to acknowledge individual contributions in making Army CYS “a model for the Nation.”

2002 Pioneer Awards	
James Andrews	Fort Jackson, S.C.
Eileen Beaulieu	USACFSC
Rose Edmond	Fort Jackson, S.C.
Margaret Hinson	HQ, AMC
Harriett Holley	HQ, FORSCOM
Carole Holt	Fort Knox, Ky.
Yolande Johnson-Spinnato	HQ, INSCOM
Ingrid Osewalt	HQDA, B&GCA Affiliation-Europe

Figure 5-5



Bamberg, Germany

Participants kick off a Fun Run sponsored by Child and Youth Services to celebrate the Month of the Military Child.

- Photo courtesy of USAREUR CYS

Operation Enduring Freedom required CYS to begin preparation of an update to the CYS Mobilization and Contingency Plan (to be released in FY 03). During FY02, the CYS website was a central hub for dissemination of new materials in support of installation CYS activities during extraordinary contingency condition situations.

The Army Education Summit 2002 was a CSA-driven event that addressed issues surrounding in-state college tuition for soldiers and family members. Summit recommendations proposed implementing common practices among school system signatories of the School and Education Transition Support Memorandum of Agreement. Recommendations were out-briefed to the CSA and action plans were developed to address key issues.

At the end of FY02, the School Education and Transition Support Memorandum of Agreement had 102 signatories. The SETS MOA (an outcome of the Army Secondary Education Transition Study) addresses reciprocity of specific youth education procedures (e.g., the timely transfer of records, improved access to extracurricular activities, grading standards) that impact military youth as their parents move from one school system to another in connection with a permanent change of station throughout a military career.

Army CYS continued to develop “most efficient organization” tools and presented a preview of FY03 MEO training plans at the 2002 Biennial Garrison Commander and DCA MWR Training Conference. Additional topics in the CYS training track ranged from the impact of newly formed regions to adoption of “Character Counts!” as a CYS program element.

The Army “CYS Forums” was implemented to improve communication with installation level staff. This web-based bulletin board allows functional groups (e.g., CYS coordinators, center directors, school liaison officers, etc.) to network and exchange ideas with counterparts and headquarters personnel. Forums are password protected for members.

Other program accomplishments for FY 2002 included:

- Maintained 100 percent certification of Army child development programs and 100 percent certification of Army school-age programs by the DoD.
- Accredited 100 percent of Army child development centers by the National Association for the Education of Young Children (compared to 8% for civilian centers).
- Certified 2,653 youth sports and fitness coaches through 66 active chapters of the National Youth Sports Coaches Association of the National Alliance for Youth Sports.
- Monitored 160,000 Promise Passport volunteer hours—constituting the Army’s contribution to the community involvement goal of the America’s Promise program.
- Connected 79 percent (140 of 182) of youth technology labs to the internet.
- Monitored school system signatories to the Secondary Education Transition Study Memorandum of Agreement, which implements recommendations to improve military students’ transition between schools; by the end of FY02, 102 school systems became signatories.
- Monitored implementation of the “Senior Stabilization” process whereby soldiers may request delay of a permanent change of station movement for one year to allow a high school senior family member to graduate from the school currently attended; by the end of FY02, 1,560 requests were submitted, 1,504 were approved, 7 were disapproved, and 49 were pending.

Community Recreation

Army community recreation provides mission sustaining fitness, recreation and library programs such as community centers; aquatics activities; cardiovascular, strength and flexibility activities; competitive sports; and information, reference and research services. Community support programs include outdoor recreation programs and equipment, travel and registration information, Better Opportunities for Single Soldiers, arts and crafts, automotive crafts, performing arts, entertainment, recreational swimming, and recreation.

The Army Recreation Awards celebrate the significant contributions of those professionals who serve soldiers and their families (Figure 5-6).

2001-2002 Army Recreation Awards

Outstanding Programs

Arts and Crafts	Wiesbaden, Germany
Automotive Skills	Schweinfurt, Germany
Entertainment	Wiesbaden, Germany
Libraries	Schweinfurt, Germany
Outdoor Recreation	Fort Hood, Texas
Recreation Centers	Fort Lewis, Wash.
Sports and Fitness	Grafenwoehr-Vilseck, Germany

Outstanding Employees

Employee of the Year	Lisa Lorenz-Bass (Fort Hood, Texas)
Career Employee of the Year	Twylla Stewart (Fort Lewis, Wash.)
Volunteer of the Year	Martha Reed (Fort Carson, Colo.)

Figure 5-6

Entertainment

"Entertainment for the soldier by the soldier"

The U.S. Army Entertainment Division occupied new facilities on Fort Belvoir in FY02 after a long search for permanent quarters. The facility was dedicated the Irving Berlin Center in honor of Sgt. Berlin, who, as Sgt. Berlin in 1917 during World War I, is considered the father of Army entertainment.

Installation entertainment programs expanded for a fifth consecutive year with two new programs. USAED direct support of field activities with installation copyrights and royalties decreased \$100K in FY02 from \$251.6K in FY01. Due to force protection issues and deployments, communities were forced to reduce the number of productions.

The USA Express band fielded two units of eight military entertainers on two-month tours. One group toured CONUS before deploying to Alaska, Korea, and Hawaii. The other unit toured Southwest Asia, entertaining U.S. Army Forces Central Command units in the middle east and Afghanistan.

The All-Army Battle of Bands and Stars of Tomorrow competitions scheduled for October 2002 were cancelled, but the USAED supported MACOM competitions and Army community theatres worldwide that participated in the American Association of Community Theatre Region 10 (OCONUS) One Act Play Festival in Heidelberg, Germany. The winning entry from the Festival will represent the Army in the AACT National Festival in June 2003.

The U.S. Army Soldier Show celebrated its 85th anniversary in 2002 with the theme, "Freedom Is Not Just a Word." The Soldier Show staged 100 performances at 56 locations in CONUS and Europe, entertaining 105,000 people.

The BRAVO! Army Theatre Touring Company staged a second production in November 2001 with "The Compleat Works of William Shakespeare (Abridged)." The successful tour covered CONUS, Alaska, Korea, Johnston Island, Hawaii, Kuwait, Qatar, and England. The soldier cast and crew entertained 5,000 patrons at 57 performances and worked with 1,500 school children at performance workshops to introduce them to Shakespeare.

The Army Summer Concert Tour presented 10 "big-name" concerts at CONUS installations with a diverse line-up of country, classic rock and alternative music talent, including artists such as Styx, Bad Company, REO Speedwagon, Lonestar, Dishwalla, Cowboy Mouth, Evan and Jaron, and A.J. Jamal. The concert program entertained more than 40,000 people and generated \$270K for local quality of life programs. In six years the concert program has generated \$3M for Army MWR programs and entertained 300,000 fans while bringing quality entertainment to installations across the United States.



Fort McCoy, Wis.

The soldiers of USA Express also hold military jobs, such as radar operator, supply logistician, military policeman, artillery crewman, infantryman, mechanic, truck driver, and medical technician.

- Photo from USACFSC Community Recreation



Fort McCoy, Wis.

The band Bad Company performing at Fort McCoy as part of the Army Summer Concert Tour.

- Promotional photo from Bad Company

Community Recreation

World Class Athlete Program



Salt Lake City, Utah

Spc. Jill Bakken (R) and Vonetta Flowers (L) are joined by Spc. Bill Tavares, U.S. Women's Bobsled head coach, to celebrate a gold medal in the women's 2-person bobsled race at the 2002 Winter Olympics.

- Photo by Robert Trubia



Salt Lake City, Utah

Spc. Mike Kohn (L) and Spc. Doug Sharp celebrate after winning the bronze medal in men's four-man bobsled at the 2002 Winter Olympic Games.

- U.S. Navy photo by Journalist 1st Class Preston Keres

Soldiers in the Army World Class Athlete Program enjoyed a phenomenal year, starting with the best military showing at the Winter Olympic Games since 1972.

Twelve soldiers represented the Army at the XIXth Olympic Games. Spc. Jill Bakken drove USA II for gold in the debut of Women's Bobsled—the first medal for a U.S. bobsled team since 1956. Spc. Bill Tavares was head coach of the women's team, and Sgt. Tuffy Latour was driving coach. The men's bobsled team in USA I won a silver medal with 2nd Lt. Garrett Hines as pusher. USA II won a bronze medal with Spc. Mike Kohn, Spc. Doug Sharp, and Spc. Dan Steele as pushers and brakeman. Five soldiers competed on the U.S. Olympic biathlon team: Spc. Andrea Nahrgang, Spc. Jeremy Teela, Sgt. Kristina Sabasteanski, Sgt. Lawton Redman, and Spc. Kara Salmela. Spc. Teela finished the 20Km men's individual race in 14th place, tying a 1972 record of the highest finish ever by an American male biathlete.

The wrestling team won the Division I Greco-Roman Team title at the U.S. National Wrestling Championships, with Sgt. Keith Sieracki, Sgt. Dremiel Byers and Staff Sgt. Glenn Nieradka capturing gold medals. The team dominated World Team Trials with Pfc. Tina Wilson and Sgt. Dremiel Byers taking gold medals and Sgt. Jason Kutz, Staff Sgt. Glenn Nieradka, Sgt. Keith Sieracki, and Pfc. Iris Smith capturing silver. Sgt. Byers and Pfc. Wilson were later named Army Athletes of the Year. Staff Sgt. Shon Lewis was named head coach of the U.S. team that will attend the 2003 World Greco-Roman Wrestling Championships.

Staff Sgt. Basheer Abdullah was named the U.S. Boxing's 2002 Coach of the Year. At the 2002 National Championships, Spc. Rondale Mason and Staff Sgt. Julius Fogle won gold medals; Spc. Miguel Albares a silver; and Sgt. Torrence Daniels and Sgt. Deandry Abron bronze. At the U.S. Challenge, Staff Sgt. Fogle and Sgt. Abron won gold medals; Spc. Mason and Spc. Albares won silver; and Sgt. Daniels won bronze. The WCAP team captured its first national

team title for the 2002-2003 boxing season at the Police Athletic League Championships, with Sgt. Daniels and Sgt. Carlos Ibarra winning gold medals; Sgt. Abron, Sgt. Corey Bernard, Spc. Jason Franco and Spc. Mahlon Kerwick winning silver; and Spc. Albares, Spc. Aaron Bensinger, and Staff Sgt. Fogle winning bronze.

Other WCAP highlights for the year included:

- The WCAP team swept the Army Ten Miler with first, second, third, fourth, and sixth place finishes, and won the overall team trophy. First Lt. Ryan Kirkpatrick crossed the finish line with a time of 48:35, followed by Capt. Scott Goff, Spc. Christopher England, Sgt. Sandu Rebenciuc, and Sgt. Phillip Castillo.
- At the 5Km National Racewalking Championship, Pfc. John Nunn placed first and Spc. Al Heppner second. Spc. Heppner also won gold at the U.S. National 5Km Racewalking Championship and silver at the U.S. National 20Km Racewalking Championship.
- Second Lt. Matthew Smith rowed with the U.S. Men's Lightweight Eight Shell to win bronze at the 2002 World Rowing Championships.
- First Lt. Chad Senior placed second at the U.S. Modern Pentathlon National Championships, and Sgt. Scott Christie placed third. Sgt. Christie and First Lt. Anita Allen won silver medals at the Pan American Championships, qualifying the U.S. for positions at the Pan American Games.
- WCAP athletes traveled across the country to support 34 Total Army Involvement In Recruiting missions, conducting school presentations, displays, community events, Delayed Entry Program functions, and autograph sessions.

WCAP athletes also maintain soldier skills. At Staff Sergeant/Sergeant promotion boards, 17 of 17 WCAP soldiers were recommended for promotion. Nine WCAP soldiers graduated from Primary Leadership Development Course and three from Basic Noncommissioned Officers Course. WCAP soldiers also participated in NCO and soldier of the quarter competitions, winning two NCO and three soldier of the quarter boards.

Sports and Fitness

The U.S. Army Sports Program had another great year in 2002, winning seven Armed Forces championships. Army teams won gold medals in boxing, men's and women's basketball, cross country, taekwondo, triathlon, and wrestling and second place finishes in golf, marathon, women's softball, men's and women's soccer, and men's and women's volleyball. Sgt. Dremiel Byers and PFC Tina Wilson were named as male and female Army Athletes of the Year. Sgt. Byers, a wrestler in the 130kg weight class, captured gold at the Greco-Roman World Championship—only the fourth American ever to win a world championship and the only active duty servicemember to ever achieve this honor. PFC Wilson, a wrestler in the 55kg weight class, won a silver medal at the Women's World Greco-Roman Championships.

Centrally-funded training was conducted in conjunction with the Athletic Business Conference, providing specialized training for 100 program directors in sports, fitness, aquatic, and health programs related to the Army's mission.

Physical fitness facilities are included in an Army Facility Strategy that will build or improve facilities to standard within twenty years. Each MACOM Director of Public Works submitted a prioritized list of new construction or renovation projects for prioritization with other projects.

Sports and fitness staff also coordinated with the Corps of Engineers, MACOM, and installation staff to develop a standard design for modular fitness facilities that allows installations to easily renovate existing facilities to meet standards. This concept gives communities great flexibility for design layout.

An improved data collection system is being developed to assist installations in rating themselves against MWR Base-line Standards. This system will allow sports and fitness personnel and commanders to identify shortfalls and articulate resource requirements. The majority of installations have achieved a "green" rating with exercise equipment, largely due to the availability of year-end money.

A new aquatics safety program for lifeguards will be implemented in 2003 to improve the program. The next initiative will be a "learn to swim" program for children.



Athletes of the Year

Sgt. Dremiel Byers (L) was named "Army Male Athlete of the Year" and Pfc. Tina Wilson (R) was named "Army Female Athlete of the Year" for 2002.

- Photo provided by USACFSC Community Recreation

Community Recreation Centers

Community recreation centers deliver a full range of social, educational, cultural, and recreational opportunities to the military community that promotes mental and physical fitness. Installation CACs provide a single location for recreation and leisure activities such as arts and crafts, wood crafts, special events, meeting rooms, internet cafés, game and pool rooms, and food and beverage operations. The construction of community activity centers continues, with several planned projects in Eighth US Army.

The annual All Army Chess Championships led to the reestablishment of the Interservice Chess Competition. In 2002, members of the Navy, Air Force and Marine Corps vied with the Army for positions to represent the U.S. in the North Atlantic Treaty Organization's Chess Competition. The Army and Marine Corps teams tied for 3rd and 4th place, while the individual award went to Army Sgt. Rudy Tia. The top six players combined to form a U.S. NATO team that competed in France and placed second among 12 countries.

Community recreation centers provide efficient and effective programming that meets customer needs. To support this effort, a Learning Resources Network course of instruction, the Program Management Institute, is now offered Army-wide for recreation personnel. Staff can also enroll in the MWR Academy for centrally-funded courses that provide instruction on managing finances, marketing, installation needs assessments, program development and analyses, and program management.

A benefits-based recreation programming model can help installation staff to identify, document and articulate the benefits of recreation programs for the military community by offering unique, monitored programs. Outcomes can be measured prior to and following the implementation of a planned program. The USACFSC is coordinating with Clemson University to study how recreation benefits the military community by documenting data from benefits-based programming pilot sites: Hanau and Giessen, Germany; Fort Jackson, Fort Campbell, Fort Carson, and Aberdeen Proving Ground.



Camp Page, Korea

A new centrally-located community activity center provides 25,000 SF of multi-purpose activity space, an AAFES food court, bowling lanes, game rooms, and kitchen.

- Photo by USACFSC Construction

Community Recreation

Better Opportunities for Single soldiers



Fort Belvoir, Va.

At the 2002 BOSS conference, the Shades of Green® donated Mickey Mouse mascots to every BOSS delegate. At least one mascot ended up skydiving after its owner returned home to Fort Belvoir, Va.

- Photo courtesy of USACFSC Community Recreation

Better Opportunities for Single Soldiers supports the well-being of single and unaccompanied soldiers, assists the chain of command by identifying soldier issues and concerns and recommending solutions for Army leaders, and encourages single soldiers to identify and plan recreational and leisure activities. BOSS also provides an opportunity for single soldiers to participate in many community services both on and off the installation. The BOSS program utilizes the recreation delivery system to ensure demand-driven services.

Training took priority in 2002 in the form of rejuvenation workshops at MACOMs and the annual Armywide BOSS conference. Workshops focused on establishing and maintaining partnerships with installation MWR programs, giving single soldiers a tangible avenue to voice their ideas. The installation BOSS councils that are most successful are the result of teamwork among key personnel: Senior NCO, MWR Advisor, and the BOSS Council.

The theme of the 2002 Armywide BOSS conference was, *"BOSS 2002 Accelerating the Future"*. Once again the Army and Marines conducted a joint conference, culminating in friendly competition between the BOSS soldiers and the Single Marine Program Marines in the form of the Adrenalin Rush! obstacle course. The conference was hosted by the Shades of Green® Armed Forces Recreation Center.

BOSS partnered with the Navy to promote both services' programs at the Armed Services' Day exhibition at Andrews Air Force Base. Personnel from BOSS and the Navy's Liberty Program manned displays during the 3-day Memorial Day weekend to educate the services and the public about MWR programs geared towards single servicemembers. BOSS also partnered with the Defense Commissary Agency to revise the Commissary Awareness Campaign into the Commissary Awareness Month, complete with promotional shopping sprees and "bonus bucks" provided by commercial industry.

In order to better represent all of the Army's single soldiers, the full-time BOSS soldier representative at the USACFSC headquarters was approved as a 2-year tour in FY02.

The *BOSS News & Views* and a BOSS Desk Reference are available at: <http://www.armymwr.com/boos/>

Information, Ticket and Reservation

In 2002, selected Army Information, Ticket and Reservation offices successfully added sales of cruises to their menu of products offered to customers. The inauguration of cruise sales coincided with the general downturn in travel that followed September 11, 2001, resulting in offices being able to offer terrific bargains to their patrons. Many offices that began offering cruises also found that adding package vacations was a natural extension of an established trend. Cruise sales training was conducted in 2002, and another session is planned in 2003. In future years, cruise training will be held on alternate years.

For the first seven months of the fiscal year, many major theme parks offered free admission to active duty military and admission at 50 percent off the gate price for up-to five accompanying family members and friends. Although the generous gesture was greatly appreciated, loss of revenue to the ITR offices was substantial. Many offices compensated for lost ticket sales by promoting group travel ("tours") to the theme parks and advertising savings by booking lodging through the ITR office. As a result of the new income initiatives, ITR offices closed the year with a drop of more than 3 percent from the previous year's NIBD.

In the continental U.S., 25 installations have contracted on-site leisure travel offices. Airlines stopped paying commissions on domestic sales in 2002, and travel agents raised their transaction fees—the charge to customers for making reservations and issuing tickets. By mid-2002, on-post Commercial Travel Office transaction fees charged about \$30, while off-post offices charged \$40 and up. Use of on-post CTOs and off-post travel agencies continues to fall among active duty soldiers as their use of on-line sites go up. The only source of NAF concession fees is to increase the cost to soldiers in order to generate money for the NAFI. For this reason, MWR managers are urged to consider whether continuing current CTO leisure contracts is in the best long-term interests of the soldier or the NAFI. For most travel products, excepting air tickets, ITR offices offer soldiers top-quality products at the lowest prices—with adequate compensation to the NAFI.



Outdoor Recreation

The Army outdoor recreation program consolidates twenty diverse and exciting programs, such as parks and picnic areas, recreational vehicle parks, marinas, stables, shooting sports, Army flying activities, and equipment checkout. The goal of the ODR program is to provide outdoor recreational opportunities that foster skill development and support customer needs with social and educational programs and services.

The Outdoor Recreation Steering Committee, a subcommittee of the Recreation Steering Committee, is comprised of HQDA, Regional, and installation outdoor recreation professionals whose jobs are to "chart the course" for the ODR program. This involvement at all levels ensures that initiatives that affect program direction, frontline employees and customers are well coordinated and understood.

The USACFSC developed www.pathsacrossamerica.com to meet patron needs to identify military parks and campgrounds for recreational vehicles. A central registration system is in development for the website that will enable users to make reservations at any recreational travelcamp or lodging location. Currently the site averages twenty-two thousand hits per month.

The program's most significant advancement has been in the development of program standards for personnel, training, equipment and programming. Specific standards now define the number of personnel required to run ODR programs, their training requirements, the number and types of equipment based on customer demand, and the minimum number of programs that should be delivered on a quarterly basis. Standards are tied to installation demographics. In FY03, activity standards were developed to further improve the quality and safety of programs provided to ODR customers.

Program budget guidance and definitions were developed for FY03, and FY04 budget guidance was updated based on FY03 reporting. Definitive financial guidance was also developed for all ODR programs. Also, AR 215-1 (MWR Activities and NAF Instrumentalities) was updated to define previously generic program terms, ensuring that reporting installations will count "oranges as oranges."



MWR programs at Fort Wainwright, Alaska, offer opportunities to visit pristine landscapes such as Denali National Park.
- Photo by Fort Wainwright MWR

Libraries

Results from the 2001 Survey of Army Families reported libraries as the top Army MWR program in use and importance. The Sample Survey of Military Personnel also underscores the fact that soldiers use libraries primarily for individual reference, research, education, and study purposes.

The FY02 assessment of MWR Baseline Standards determined that most libraries are red in the critical areas of staffing, training, materials resources, and automation. POM input has been prepared to position dollars in the out years to fund libraries to standard. Results from the Baseline Standards are also imported into the Installation Status Report (Services).

Up-to-date collections support Army and organizational missions and off-duty educational and leisure needs. Information is available 24 hours a day, 7 days a week, through electronic resources and in-house materials. Funded by the USACFSC, full-text library online commercial databases are accessible by patrons through the Army Knowledge Online portal and individual library web pages. Soldiers can access these databases anytime, anywhere. Additional reference support is available through an Armywide library project, Defense Digital Library Research Services, where soldiers can post reference questions to the website and receive responses from libraries most capable of answering.

Contingency libraries and reading rooms support soldiers assigned to remote locations, including combat and peace-keeping operations. Reading rooms primarily contain paperback book titles, while contingency libraries contain hardcover and paperback books, computers for email and Internet access, magazines, best sellers, online database services for education support, and titles from the CSA's recommended reading list. Three libraries are operating in Bosnia; one in Monteith, Kosovo; and another is planned for Bondsteel, Kosovo. A library is also planned for Qatar.

The USACFC purchases reference material and paperback book kits for delivery to communities and deployed soldiers. Collectively, the Army saved \$8.7M on these purchases, or 63 percent of cost. Savings were also accorded the Marine Corps and the Navy as part of an inter-service support agreement. A recent Business Initiatives Council initiative focused on implementing an e-content enterprise purchase and licensing process within DoD for greater savings. Army libraries also tested eBooks, to include web accessible full text titles, at 15 locations; surprisingly, eBooks were not as popular as expected—most customers prefer paper text.

Meetings of the Army General Library Steering Group were curtailed until regional library staffing is complete. Future agenda items include library accreditation, regional integrated systems and a program manager's course. Competitive developmental assignments are available throughout the year via Army Civilian Training, Education and Development System funds.

Community Recreation



Chicago, Ill.
Automotive skills managers attending training at the Army Automotive Skills training in May 2002.
- Photo courtesy of USACFSC Community Recreation



"Charging Into Battle"
First Place in the Military Life category of 2001 Army Photography Contest.
- Photo by SFC Johancharles Van Boers

Automotive Skills

An FY02 facility survey identified 90 automotive skills facilities operating 1,350 indoor and 1,400 outdoor work bays. The majority of programs operate car wash facilities. Numerous locations offer repair-for-fee mechanic services. Strip yards are operating at six locations. Soldiers clock almost four million hours annually in automotive skills shops. On average, soldiers save \$40 per hour, or \$156M annually, on repair costs when compared to rates charged by commercial garages.

At Fort Benning, Ga., MWR automation specialist Mr. Tony Kuykendall is developing software to assist managers in completing routine tasks in the operation of automotive skills facilities. Named AUTOBAYS, this software tracks patron sign-in and sign-out, accrual of bay fees, service charges, storage fees, and many other shop operations normally managed by "stubby-pencil." AUTOBAYS software requires further development and certification, and should be ready for release in FY04.

The USACFSC centrally funded training programs to automotive skills program managers. In FY02, training included sessions at the Automotive Aftermarket Week event in Las Vegas, Nev., and the Car Care World Expo in Chicago, Ill. An ever increasing number of installations have accomplished mechanic certification through the National Institute for Automotive Service Excellence, broadening the expertise of staff and increasing value to Army customers.

Success stories for FY02 included the Automotive Skills Center at Schweinfurt, Germany being recognized throughout the Army recreation awards program as the Outstanding Automotive Skills Program of the Year for 2001–2002. Numerous shops have added car wash programs, including Camp Humphreys, Korea, and Fort Leonard Wood, Mo. Plans for adding public private venture car washes are in place for Fort Carson, Colo., and Fort Jackson, S.C.

Arts and Crafts

An ad hoc "Cultural Arts Group" was formed to look at new ways of partnering within and out of the Army community. The first meeting in January 2002 began as brain storming session with the National Endowment for the Arts, Americans for the Arts, International Child Art Foundation, Army Entertainment, and Army Child and Youth Services. The group continued to meet monthly, looking at each other's mission, skills, resources, and exchanging ideas for short- and long-range collaboration.

In September 2002, the USACFSC and the National Endowment for the Arts established a formal partnership agreement and signed a Memorandum of Understanding. The NEA invited the Army to participate in the "Coming Up Taller" Awards Ceremony where Mrs. Laura Bush was keynote speaker, providing insight on this national program.

Operation Healing Arts USA was a centrally designed program executed at local installations to create an American flag or patriotic banner, with the intent of helping Army communities to deal with the events of September 11, 2001. The program touched on a variety of MWR facilities, from child care centers, youth activities, recreation centers, and arts and crafts centers, to provide a cross pollination of programming. A spinoff of this concept was executed for the Space and Missile Defense Command at their Army Family Action Plan conference in August, where teenager delegates were challenged to create a triptych painting to express their world before, during, and after the September 11, 2001, tragedy. Their finished work was formally presented to Secretary of the Army White and hangs in the Pentagon.

A large collection of winning images from past Army Arts and Crafts contests were digitized this year, with the goal of putting the work onto the MWR webpage to showcase Army talent and skills. The Photography Contest is held annually, while the Fine Arts and Designer Crafts competition is on alternate years. The 2001 Army Photography Contest was hosted by Fort Campbell, Ky., in March 2002, who will also host the 2002 contest. The 2001 Army Fine Arts Competition was held in February 2002 at Yongsan, Korea, and the 2002 contest will be hosted by the USACFSC.

Business Programs



Fort Bragg, N.C.

Lili's Skeeters is a family-style restaurant offering homestyle meals in a friendly, casual atmosphere.

- Photo by Matt Spangler

Themed Food and Beverage Operations

By the end of FY02, 39 Army-branded and 23 Orion Food Systems theme restaurants were open around the world. These restaurants, both full-service and quick-service, meet customer demand for casual dining on Army installations. Total revenue generated for MWR in FY02 exceeded \$18.7M, with an NIBD of \$2.1M, or 11.4 percent.

The newest Army branded theme restaurant, Reggie's Pub, was introduced at the Garrison Commanders Conference in Atlanta in August 2002. Smaller in size than the original Reggie's Beverage Company, prototype designs for 50-seat, 100-seat, and 150-seat lounges provide a warm atmosphere and a high-quality menu featuring made-to-order, oven-fresh, pub-style sandwiches and side dishes. Patrons can also enjoy games, billiards, and entertainment in a comfortable and relaxed atmosphere.

The Name Brand Fast Food program, a joint effort by the USACFSC and the Army and Air Force Exchange Service, enables installations to respond to market demand by offering nationally recognized quick service restaurants in MWR facilities. To date, 38 assessments have been completed, resulting in 19 recommendations for implementation. The first Army NBFF outlet—a Subway sandwich shop—is scheduled to open in December 2002 at the Walter Reed Army Medical Center, Washington, D.C. Nine additional restaurants are programmed for 2003, including Subway, A&W Root Beer, Charley's Steakery, and Capt.D's. This program will significantly enhance quality of life at installations.

A name brand casual dining initiative was also developed to meet an increasing demand for sit-down dining and to generate installation revenue. The USACFSC has pre-qualified Compass, Eurest Support Services, as franchiser of T.G.I. Friday's, to operate under a concessionaire contract to place the Army's first casual dining restaurant in Heidelberg, Germany. The USACFSC will coordinate with other restaurant companies so that installations may request an assessment.

Total procurement volume of the Joint Services Prime Vendor program rose to \$91.1M in FY02, a 5.7 percent increase from FY01, saving participants \$14.1M. The manufacturer allowance program increased 10.3 percent, to \$1.2M. Since the JSPV began in FY92, it has achieved total savings of \$91.6M based on total procurement volume of \$700M.

2002 James A. Carroll, Jr. Awards

Community Club	
Jeffrey Holmes	Landstuhl, Germany
Armond DiPoalo	U.S. Military Academy, N.Y.

2002 Excellence in Management Awards

Golf	
Richard Bond	Selfridge, Mich.
Mark Smith	Rheinblick, Germany
Bowling	
Edward Scully	Fort Dix, N.J.
John Howard	Redstone Arsenal, Ala.
Barbara Cox	Fort Hood, Texas
Leisure Travel	
Elvira Garcia	Fort Bliss, Texas
Helen Lindsay	Fort Rucker, Ala.
Recycling	
Michael Carnes	Fort Knox, Ky.
Business Manager	
Ronald Telles	Fort Bliss, Texas

Figure 5-7

Clubs

Clubs and nontheme food, beverage and entertainment operations are an integral part of business operations in Army communities and contribute essential funding to support installation MWR programs. Army CFBE operations provide a wide variety of programs and services, enhance unit readiness and support community social needs.

The Army operates 246 CFBE facilities worldwide. In FY02, the program produced \$13.2M NIBD, up from \$10.5M in FY01. Net revenue decreased from \$172.8M in FY01 to \$165.0M in FY02, attributed to limited access to facilities due to force protection measures. The increase in NIBD is due to the quick reaction by facility managers in reducing labor and other operating expenses. Reduction of overall losses and elimination of chronic losing activities have enabled the CFBE program to achieve the highest NIBD in five years.

More and more management effort is directed at reducing and eliminating losing operations. Army benchmarks for food and beverage operations are also evolving, making them more applicable to everyday use and a very useful tool to evaluate and compare programs.

Business Programs

Golf

The Army's 56 golf courses recorded NIBD of \$7.1M on net revenue of \$65.7M in FY02, for a return of 10.8 percent against a BOD standard of 17 percent NIBD. Rounds played exceeded 2.1 million, but were down approximately 34,000 rounds from 2001. Green fee income, with a \$2.1M decline, dramatically reflected the impact of reduced play. In the aggregate, however, a total reduction in net revenue of \$2.4M translated into a reduced NIBD of \$1.3M from last year. The major factors of this decline were installation access restrictions due to force protection measures and increased operational tempo. In spite of these problems, FORSCOM, USAREUR, USMA, MEDCOM, and USARSO all had positive NIBD variances between FY01 and FY02.

Golf course superintendents again gathered at Texas A&M for an intensive two-week USACFSC-sponsored training seminar that focused on golf course maintenance and business plans. All four services were represented at the seminar. Golf managers attended annual training at the PGA/Armed Forces Golf Managers' Seminar, featuring presentations on "What Auditors Look For," "Trends in Golf," and "Environmental Concerns." Membership in the National Golf Course Owners' Association was centrally funded to further assist managers in keeping up with industry trends.

Preservation of the golf course infrastructure is critical to long-term success. In FY02, golf maintenance facility projects were completed at Fort Carson, Colo.; Fort Polk, La.; and Stuttgart, Germany. Contracts were awarded at Camp Red Cloud, Korea; Bamberg, Germany; Fort Huachuca, Ariz.; and Fort Richardson, Alaska. A 9-hole addition at Fort Lee, Va., opened in May, and Fort Gordon, Ga., neared completion of nine new holes.

The Army golf program focuses on increasing the patron base, efficiently generating and preserving capital and minimizing expenses through improved operations. All events and training opportunities were designed with those purposes in mind. With Army golf playing at 57.3 percent of capacity against a target of 70 percent, approximately 475,000 tee-times went unfilled--losing out on a potential NIBD increase of \$1.6M. Efforts to open more courses for public play were successful at Forts Benning and Sill, and Picatinny Arsenal opened their course for local veteran play. Intense marketing to women and junior golfers is paramount to successfully expanding the patron base.



Picatinny Arsenal, N.J.
Golf Manager Matt Mugavero gives lessons to a ladies group.
- Photo courtesy of USACFSC Business Programs

Bowling

Army patrons bowled 8.6 million lines on 1,836 lanes in 106 centers in FY02, producing \$45.5M net revenue and \$7.1M NIBD, or 15.6 percent of net revenue. Lineage dropped again this year, down 427,713 lines from FY01, primarily due to a continued transition of patrons from league to open bowlers and by increased force protection. Total lineage consisted of 59 percent - open; 27 percent - league; and 16 percent - tournament and other types of bowlers. The program received a limited amount of APF reimbursements for expenses associated with increased force protection, which enabled it to finish the year on par with FY01. The BOD's FY02 "green" standards were "break even" for Category B centers and 17 percent NIBD for Category C centers. For FY03, Category B standards remain the same and Category C standards increase to 18 percent.

Construction, renovation and modernization projects continued, with renovated bowling centers reopening at Fort Belvoir and Heidelberg, Germany. Both offer state-of-the-art design, glow bowling, party rooms, lanes, pinsetters, and scoring equipment. Projects to modernize or expand centers are underway at Fort Leonard Wood, Mo.; Fort Hamiliton, N.Y.; Stuttgart, Germany; Redstone Arsenal, Ala.; Fort Campbell, Ky.; and Camp Humphreys, Korea. Five new or renovated centers are also planned for Fort Bragg, N.C.; Fort Gordon, Ga.; Fort Lewis, Wash.; Baumholder, Germany; and Vicenza, Italy. A phased modernization plan is underway for facilities in U.S. Army Europe, with all phases complete at Schinnen, Netherlands.

Training for the bowling program focused on a new management certification program. Divided into two levels, the program has stringent requirements in education, performance and length of service. Three managers were certified at Level I in its first full year of operation. All bowling centers became members of the Bowling Proprietors' Association of America, the professional association for center managers. Membership assists management with day-to-day operations, creating a professional workforce and keeping the program on the cutting edge of industry trends. Now that "glow" bowling is common in most centers, bowling parties for all age groups, special events that entice new patrons and alternative leagues or "clubs" will help to meet changing customer demand and offset the effects of force protection and the decline in lineage.



Fort Bliss, Texas
A 52-lane bowling center features computerized scoring, a pro shop, billiards and games, meeting areas, a full-service lounge and restaurant, a snack bar, and a children's playroom.
- Photo courtesy of USACFSC Business Programs

Events

Fiscal year 2002 was a busy year for Army events that promoted MWR. Ten installations competed in the National Trivia Network promotion "Showdown" to vie for top bragging rights as the Army's top trivia buffs. Over 880 individuals took part in the four-week promotion in November 2001. The USACFSC supplied local prizes to participating installations to generate enthusiasm and interest. Fort Polk's Sports USA team retained their title as the Army's NTN champion and celebrated their victory at a USACFSC-sponsored party in February. Sponsors for the promotion were Brown-Forman beverage brands: Finlandia, Southern Comfort and Jack Daniels.

Ninety-seven installations participated in a three-month summer bowling promotion conducted June through August. The "Mystery Bowl" included a mystery board containing twelve weekly prizes. Patrons could enter the drawing each time they visited a facility. A drawing allowed weekly winners the opportunity to "scratch off" one of the mystery prizes, ranging in value from \$25 to \$100. Winners selected their prize from a corresponding prize catalog. The promotion also featured an on-line "mystery trip." Each week, the bowling center manager unveiled a clue about the trip's destination. Patrons were able to go on-line and guess the destination. During the fifth week of the promotion, Spc. Nathaniel Davis from Fort Stewart correctly identified the trip destination as Kissimmee, Fla., winning an all-inclusive trip—tickets to theme parks and golf outings—to the Wyndham Palms Resort.

The event division supported the golf program with two promotions: Lanes to Links and the 2002 Salute to Army Golf. This summer promotion was designed to cross-market golf and bowling, and was adopted by the Army after a successful design and implementation by the Fort Meade MWR staff. The promotion targeted all ages and skill levels and included bowling several games using the "baker system" and playing a round of golf. The USACFSC supported participating installations with point of sale materials and prizes.

Now in its second year, the 2002 Salute to Army Golf continues to recognize top installation golfers via local golf championships. This year 49 installations took part in the promotion, a 20 percent increase over the previous year. Installation winners received custom golf club head covers, a promotional poster listing all winners and a \$75 gift certificate for use with the golf program. Armywide winners received a \$500 gift certificate.

Creativity Blueprint, a special event for the Fifth Biennial Garrison Commander and DCA MWR Training Conference in August, showcased the latest in recreation machine games, Reggie's Pub and new industry ideas and initiatives that can be adopted by installation MWR programs. Creativity Blueprint was recognized by *Special Event* magazine as the "Best Corporate Event" in its class.

A project deemed a tremendous value to installation business managers was the publication of a 15-month planning calendar. The calendar was customized for MWR business programs and included information and useful tips for managers, such as highlights of national events and celebrations, special event ideas, promotional tips, upcoming industry conferences, internal controls checklists, helpful hints and good ideas.

Recycling

As the recycling program matures, installations are focusing on simplifying operations to reduce expenses and on expanding into other market areas such as selling the recycling rights for buildings slated for demolition. These changes will allow recycling programs to maintain current performance levels.

Most installations continue to report a profitable bottom line in recycling even though overall FY02 revenue was down to \$6.2M with a \$1.1M NIBD. These results also reflect variations in marketability, the pricing of recyclables items and the timing of transfers from the installation recycling suspense account to the recycling program.

As more and more items are recycled in the private sector, the prices paid for recycled items will continue to drop and impact gross revenue. This trend has continued for several years and is not expected to change until the demand for recycled content items approaches parity with the supply of recycled materials. Efforts by the United States to require more federal procurement of recycled content items will eventually assist in raising prices. Also, DoD's Pollution Prevention Measure of Merits program includes a systematic reporting mechanism for recyclables and solid waste disposal, which should increase the quantities of those materials that installations are successfully selling.

Installations with approved Qualified Recycling Programs may keep the net proceeds of recycling sales (after expenses) for use by commanders for pollution abatement, energy conservation, and occupational safety and health projects. Up to 50 percent of the net balance may be used by commanders in these areas. The balance (a minimum of 50 percent up to 100 percent if the commander does not fund the first group) may be turned over to MWR.

Any balance in the installation suspense account in excess of \$2M at the end of a fiscal year must be returned to the U.S. Treasury. Prudent commanders will ensure that funds are distributed from the suspense account in a timely manner, and that all recyclable items with a positive return (sale price less expenses) are handled by the QRP. Negative items (those where prices received are less than the expenses of handling) can also be recycled by other means and other offices to ensure credit is received toward meeting the Measure of Merits' goals. This can maximize overall installation recycling while not acting as a detriment to the QRP.

Hospitality Support

Armed Forces Recreation Centers

The Army centrally manages four Armed Forces Recreation Centers by Congressional mandate. The AFRCs provide quality resort-destination vacation opportunities to members of the total defense force. The AFRC resorts are:

- Hale Koa Hotel® (Honolulu, Hawaii)
- Shades of Green® (Orlando, Florida)
- Dragon Hill Lodge® (Seoul, Korea)
- AFRC-Europe (Bavaria, Germany)

All AFRCs are self-sufficient and funded by internally generated NAF. In FY02, AFRCs generated a combined \$19.2M NIBD on net revenue of \$110.1M. This decrease from FY01's record \$24.8M NIBD on revenues of \$117.6M was due to reduced occupancy following the September 11, 2001, terrorist attacks, increased operating costs and tightened installation access due to force protection and soldier deployments. Aggressive management measures reduced operating costs and enabled AFRCs to regain favorable operating levels by February 2002. The AFRCs achieved an occupancy rate of 92.8 percent of available room-nights for the year from a guest-room inventory of 1,838 rooms.

With Congressional and MWR BOD approval, the Army secured a commercial loan of \$135M to fund a new 330-room resort hotel in Garmisch, Germany and add a 299-room expansion to the Shades of Green®. Construction at Garmisch, scheduled for completion in October 2004, will replace antiquated, inefficient, labor-intensive, and management-redundant hotels at Garmisch and Chiemsee. The Shades of Green® expansion is slated for completion in December 2003. To expedite construction, Shades of Green® released 82 percent of its workforce by business-based actions but assisted employees with job placement and counseling.

The Hale Koa Hotel® underwent design and planning for the next phase of a \$40M renovation project of the original 28 year-old Ilima tower. Other FY02 projects included design of a new, covered luau pavilion complex, second-phase service-level construction and renovation of laundry facilities.

The Dragon Hill Lodge® fully incorporated a renovated Hartell House facility into its operations in FY02. Physical plant improvements to the lodge included landscape beautification upgrades and renovations to the original tower guest rooms, corridors, laundry facility, and public restrooms.

In May 2002 the Army purchased commercial, off-the-shelf software for hotel property management. This state-of-the-art property management system provides modules for financial management, sales, catering, and web booking. Installation of the system at all AFRCs is underway.



Garmisch, Germany

The new AFRC-Europe should be open by October 2004.
- Photo courtesy of AFRC-Europe

Army Recreation Machine Program

ARMP combined FY02 revenues increased 3.9 percent over FY01 levels to reach another all-time high of \$128.2M. In FY02, the ARMP returned over \$105M to the AMWRF, MA-COMS, other supported services, and participating facilities in distribution of net income and direct reimbursements. Slot revenues increased 4 percent to \$116.9M and amusement machine revenues increased 2.6 percent to \$11.2M.

Slot revenues continue to grow in the Far East, with Korea revenues up 10 percent to \$72.9M and Japan up 2.2 percent to \$16.0M. Revenue in Europe continues to decline, although positive results in five locations converted to the cashless gaming systems are promising.

The transition from coin to cashless gaming continued with 11 additional locations added to the three test locations completed in FY01. These 14 locations accounted for 50 percent of total monthly slot revenue by the end of FY02. Average monthly revenue by location increased by 29.5 percent. The new cashless technology uses computer chip smart cards as a medium for wagering and wins, integrated with automated cash machines for cash outs. This technology is efficient, flexible, and profitable, and reduces the high labor costs of coin handling for the ARMP and the host MWR facility. An additional 33 locations are slated for FY03 and should account for 85 percent of total slot revenue by the end of the year.

Amusement machine operations expanded to include MWR support at Fort Hood, Texas; Fort Huachuca, Ariz.; and Robins Air Force Base, Ga. The ARMP continued to build its partnership with AAFES in support of Fort Leonard Wood, Mo., and Fort Hood, Texas. The program also continues to focus on achieving operating efficiencies while maximizing revenues. Decreased machine down-time and new technology games allowed the program to decrease fleet size by 10 percent in locations converted to cashless operations. In these locations, decreased labor costs are realized by both the ARMP and the host facilities by eliminating coin handling responsibilities. Reflecting industry trends of declining opportunities in amusement operations, the ARMP is closing unprofitable locations, streamlining operations and reducing operating expenses in order to more profitably support MWR. The ARMP also continues to upgrade the amusement machine fleet with the latest technology games offered in the industry, including digital jukeboxes and virtual reality video games.



Heidelberg, Germany

An expanded bowling center includes popular video games.
- Photo courtesy of USACFSC Construction

Army Lodging

The Army Lodging Program continued to make great strides in FY02 by focusing on implementation of the Wellness Plan and enhancing corporate standardization initiatives.

The Wellness Plan began in earnest with contract award for a \$23.4M, 360-room construction project at Fort Eustis, Va. With lessons learned at Fort Eustis, work also began on the first of ten Wellness Plan projects approved for funding at the January 2002 Construction Investment Review Board. Design charettes were conducted for a 90-room facility at Fort Wainwright, Alaska, and a 45-room facility at Fort Hamilton, N.Y. Both of these projects are categorized as repair by replacement due to the condition of existing facilities. Projects scheduled for FY03 include contract awards for Fort Wainwright, Fort Hamilton and Dugway Proving Ground, Utah; renovation designs at Hohenfels, Germany; minor renovation of one building at Fort Lewis, Wash.; and design charettes for the new construction at Fort Lewis (185 rooms), Camp Stanley, Korea (80 rooms); and Camp Carroll, Korea (50 rooms).

In May 2002 a process action team reviewed the Wellness Plan process and recommended a one-time, Armywide assessment of facility and market factors. This assessment will prioritize Armywide projects based on a "worst first" strategy. The assessment was approved by the BOD and is programmed to begin in March 2003.

The Army Lodging corporate structure was improved through several initiatives to increase efficiency and decrease operating expenses. Product standardization and consolidated purchasing initiatives continued to expand in FY02 with product purchases through consolidated contracts and the Prime Vendor Program. A consolidated buy at the International Hotel/Motel and Restaurant Show in November 2001 achieved savings in excess of \$140K on purchases of \$1.4M. Preprinted materials such as guest folios, registration cards, telephone dialing instructions, and signage were added to the standardization program. Plans for FY03 include a contract for credit card processing services, with the goal of reducing processing fees, achieving consistent system capabilities and enhancing reporting capabilities.

The AAFES/Sprint telecommunication partnership tested in 2001 proved highly successful, leading to plans to further expand the initiative. System installations during FY02 included Aberdeen Proving Ground, Md.; Fort Belvoir, Va.; Fort Knox, Ky.; Fort Lee, Va.; Fort Meade, Md.; Fort Dix, N.J.; Walter Reed Army Medical Center, D.C.; the Judge Advocate General's School, Va.; and Camp Walker, Korea. Plans for FY03 systems include Tripler Army Medical Center, Hawaii; U.S. Army Garrison-Selfridge, Mich.; Presidio of Monterey, Calif.; Camps Casey, Zama, and Humphries, Korea; Fort Stewart, Ga.; Fort Monmouth, N.J.; Fort Drum, N.Y.; Fort Lewis, Wash.; and Fort Bliss, Texas.

2002 Army Lodging Awards

Lodging Operation of the Year	
Small Category	Hardy Barracks, Japan
Medium Category	Kelley Barracks, Stuttgart, Germany
Large Category	Aberdeen Proving Ground, Md.
Super Category	Fort Bragg, N.C.
Manager of the Year	
Bill Cook	Fort Dix, N.J.
Supervisor of the Year	
Alan Brueggen	Fort McCoy, Wis.
Employee of the Year	
Kay Flores	Fort Leonard Wood, Mo.

Figure 5-8

NAF Contracting

The goal of NAF contracting is to ensure DoD and Army MWR programs acquire "best-value" products and services. Acquisition and procurement efforts for FY02 focused on construction projects, consolidated and indefinite delivery indefinite quantity contracts and automation initiatives.

Eleven Army construction contracts, valued at \$107.5M, were awarded in FY02. Contracts valued at \$48.4M were awarded for a 299-room expansion of the Shades of Green® AFRC and \$1.1M for technical services and contract support during construction. Other awards included a \$23.4M contract for a 360-room lodge at Fort Eustis, Va.; \$9.8M for a combined club at Fort Campbell, Ky.; \$8.7M for a club/convention center at Schofield Barracks, Hawaii; and \$8.1M for two Hale Koa AFRC projects. By the end of the year, 12 projects valued at \$31.6M were completed and placed under warranty. Architect, engineer, design, and development task orders/contracts worth \$3M were awarded to support major/minor construction and other initiatives. Other construction/renovation projects in Korea received furniture, fixture and equipment support valued at \$2M. Contracts to upgrade 17 bowling alleys in Europe were valued at \$1M.

Thirteen construction contracts valued at \$29.4M were awarded on behalf of the Navy, Marines and NEXCOM. An additional 14 projects valued at \$31.7M were in design/pre-award processing. Fourteen projects worth \$46.4M were completed and placed under warranty. In addition, six public-private venture contracts were administered in FY02, to include the Hotel Thayer at West Point, N.Y.

The NAF Contracting Directorate directly supported installations and MACOMs with a broad range of contract and procurement expertise in FY02. This support will continue for the Installation Management Agency, Regions, and installations as needed, such as when procurements exceed local installation warrant levels. For example, orders for fitness equipment placed on behalf of Eighth Army were valued at \$1.2M. Basic Ordering Agreements were awarded on behalf of DoD NAFIs to provide satellite programming, such as DirecTV's "2002 NFL Sunday Ticket" (at a cost avoidance of \$600k) and the National Trivia Network.

Several contracts support Army travelers through the Lodging Success Program, including program restructuring and expansion to support Military Training Student Services. An FY00 pilot program was expanded to consolidate purchases for Army Lodging, yielding savings of \$205K for quality products to meet lodging standards.

Many FY02 contract efforts support joint Service initiatives. Nineteen Joint Services Prime Vendor Program contracts worth \$95M annually were administered in FY02. Used by 185 participants worldwide, the program's rebate and deviated pricing programs returned \$1.2M to participating installations. An Aetna US Healthcare contract valued at \$40M was administered for third party administration services to DoD NAFIs. Property management, financial management, and sales and catering systems at all four AFRCs were replaced with an AFRC Property Management System.

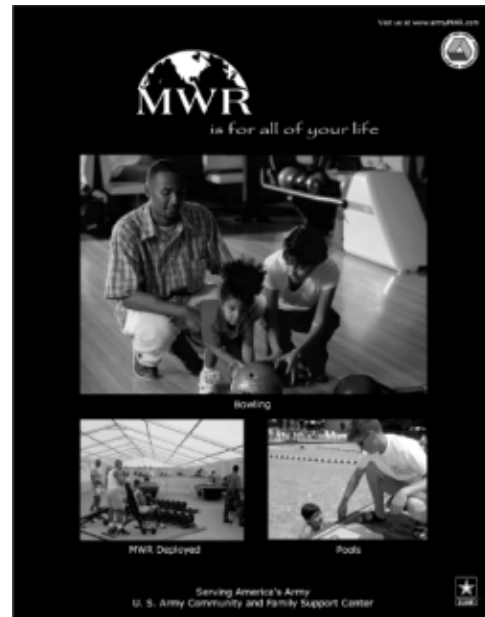
Other information and technology contracts valued at \$56.5M were awarded in FY02. The Army continued to refine PRISM, the Army's web-based NAF contracting system. Two of five PRISM databases, at Army Materiel Command and the USACFSC, will be consolidated by February 2003. Refresher training is provided at regional locations worldwide as needed.

The Armywide NAF purchase card program consisted of 303,575 transactions in FY02 valued at \$102.3M.

Strategic Communications

In FY02, communications initiatives continued to focus on building a cohesive MWR brand identity strategy. Leveraging the prior year's promotional successes that highlighted the diversity that MWR reflects, this year's efforts focused on molding a comprehensive far-reaching strategic communications plan.

Intended to pull together under one umbrella image the wide variety of MWR program and service categories, the plan strives to speak to all audiences—soldiers, family members, retirees, civilians, Congress, and the American public alike. A detailed pilot program was developed for implementation in early FY03 to test messages, communications channels and tools in the field with the objective of building a clear, consistent MWR identity.



Marketing

The USACFSC hosted Armywide marketing training in conjunction with sponsorship and advertising training in August. Private industry experts delivered graduate-level instruction on the MWR brand, the power of e-market research, reinventing yourself on the web, graphic design, marketing to ethnically diverse audiences, and conducting panels of marketing/sponsorship/advertising professionals.

Marketing information is delivered directly to MWR program managers in the Army and the other services via a monthly e-mail publication, TIDBITS, that includes research on families; child and youth; food, beverage and entertainment; leisure, hobbies and skill development; internet/computers; sports and fitness; and travel/tourism.

ArmyMWR.com continues to be the preeminent portal for programs and services. News features, travel, event, and recreation information are available to all authorized MWR customers, whether inside or outside the gate. The portal serves as host for over 3,000 webpages and provides a central hub for other program resources. The portal is also a host for MWR knowledge management through the MWR Professionals page, as well as the new ArmyMWR.info Knowledge Centers. Keeping constituents up to date is easy with two periodical electronic magazines: Star Notes (the Command newsletter) and Up Front and Center (a casual website update newsletter). ArmyMWR.com is supplemented by advertising and sponsorship.

The 2003 Armywide Leisure Needs Survey has been postponed. The LNS focuses on leisure activity participation and perceived quality of MWR programs and facilities, and program and facility user profiles. LNS data feeds into the 5-year program planning process and the ISR 3 (Services), eliminating the need to conduct additional local level surveys to measure customer satisfaction. When the next LNS is conducted, respondents will have the option to submit their surveys electronically via the internet. Results will be available in an interactive on-line database with past LNS results from 1996, 1998, and 2000.

Corporate Sponsorship and Advertising

Army sponsorship and advertising has two primary missions: generate revenue for MWR programs and events and assist field operations through training and national partnerships. An annual training conference is an integral component of field assistance and fulfills professional development requirements for sponsorship managers. Sponsorship and advertising training was conducted in conjunction with the Fifth Biennial Garrison Commander and DCA MWR Training Conference. The USACFSC is currently planning a 2003 sponsorship and advertising training conference, which will be done jointly with marketing.

The Army sponsorship and advertising program continued to lead the military in total sales revenue. In FY02, Armywide sponsorship and advertising sales totaled \$4.6M in cash and \$5M in products and services.

The Army explored new partnership opportunities while also maintaining relationships with current corporate clients in FY02. Existing sponsorship agreements were renewed for many MWR programs and events, such as the Army Concert Tour, special events, grand openings, and the Army Soldier Show. Many installations also negotiated sponsorship agreements in conjunction with a variety of local programs and events, such as July 4th festivals, Oktoberfests, MWR golf tournaments, concerts, and sporting tournaments.

The Army continued to focus on sponsorship and advertising agreements that directly benefit the field. In addition to renegotiating a phase of a current franchise advertising agreement in FY02, the USACFSC negotiated new franchise advertising and sponsorship initiatives. With franchise agreements, the USACFSC negotiates the client agreement while participating installations worldwide execute the benefits and each receive a percentage of the sales revenue.

Public Affairs

When soldiers won gold and bronze in women's and men's bobsled events at the 2002 Winter Olympic Games at Salt Lake City, Utah, public affairs captured the moment with the help of U.S. Olympic Committee-credentialed PA staff augmentees: sportswriter Brian Lepley, Public Affairs, U.S. Army Alaska and Navy photographer Petty Officer 1st Class Preston Keres, *All Hands* magazine. Coverage of the Army WCAP Olympians included:

- An October 27, 2002 feature story in *The Washington Post*; a November 19, 2002 press conference at George Mason University for alumnus/bobsledder Spc. Mike Kohn, followed by a segment on NBC affiliate Ch. 4/WRC (Washington D.C.).
- Production/distribution of 1,000 WCAP Olympian press kits in USOC's main press center and competition venues.
- Seventeen press releases on Olympic competition in men's/women's biathlon and bobsled; seven video releases and 14 radio stories for Soldiers' Radio and Television; a video showcasing WCAP winter olympians; and footage provided to CBS, NBC, and ABC to use with stories and interviews.
- Selection of Spc. Mike Kohn and Spc. Doug Sharp as two of the Top 50 bachelors in America in the June 2002 *People* magazine.
- Feature stories and photos in *Army Times/Military Times*, *Stars & Stripes*, *Soldiers* magazine, and installation newspapers, and athlete biographies, news stories, and images on www.armymwr.com and PA Link (Army Public Affairs web).
- From June 2001 to May 2002, an Army Public Affairs Lexis-Nexis search identified 4,812 print stories and media transcripts about Army soldier-athletes. Of these, 866 (18 percent) also referenced the U.S. Army.

Feedback, Army MWR's bimonthly corporate communication magazine, celebrated its 10th anniversary in January 2002—the longest continuously running MWR publication since the USACFSC was established in 1984. In FY02, five 28-page issues and one 32-page issue were published—45,800 copies in all—at a cost of \$1.26 per copy. The November 2001 *Feedback* was dedicated to the events of September 11, 2001 and MWR in the field, and formed the core of an 11-page lead feature in the December issue of *Parks & Recreation* (National Recreation and Park Association) magazine with a national circulation of 20,000.

The USACFSC PA office generated 68 press releases. In January 2002, a new five-minute orientation video, "MWR is for All of Your Life," was distributed to installation marketing staffs. Eighty-one video news releases were produced for SRTV, including three promotional videos for the Army Concert Series, the U.S. Army Soldier Show, and Theatre BRAVO. These video releases became part of a biweekly 30-minute SRTV news magazine, "Army Newswatch"—distributed to more than 800 civilian cable stations nationwide and reaching 75,000,000 households.

Broadcast products also included 46 radio stories and 27 "MWR Break" programs. In March 2002, a 4-minute special program, "A Closer Look," aired an interview with USACFSC Chief Operating Officer Peter F. Isaacs, who discussed AFRC construction at Shades of Green® and Germany. In addition to airing on Armed Forces Network and Soldiers' Satellite Radio Network, other products aired worldwide around the clock on the SRTV website, www.soldiersradio.com.

In the summer of 2002, following tragic, fatal incidents of domestic violence at Fort Bragg, N.C., the USACFSC PA worked with Army Public Affairs to respond to and monitor media queries and requests for interviews by the director and deputy director of USACFSC's Family Programs in national print and broadcast media.

Management Information Systems

Fiscal year 2002 was a significant year for the implementation and fielding of the MWR Management Information System. Specific accomplishments included:

Time Labor Management System »

TLMS efforts focused on planning for implementation of the newest release that sets the stage for database consolidation.

Financial Management and Budget System »

FMBS Version 2.0 will reorganize databases according to new regional alignments in support of the Army transformation of installation management.

Recreational Tracking System »

Version V2 fielding distributed the latest release to all installations. Development of standards for financial reporting continued, and implementation of the ISR (Services) utilization reporting requirements continued. Testing began on a customer web registration module. Application administrator training was implemented and over 200 AA's were trained. Over 1,600 total users were trained in FY02.

Golf Tracking System »

GolfTrac! version V2 fielding continued with 26 installations completed in FY02. GolfTrac! is now a module of RecTrac! and is implemented as a combined database.

Child and Youth Management System »

CYMS fielding was completed in FY02. Planning began for the interface with a customer web registration module. Testing for the Family Child Care web module was implemented at three installations.

Standard Management Information Reports for Finance » SMIRF was enhanced to represent installation regional alignments and will be ready to use 1st Qtr FY03.

Standard NAF Automated Contracting System »

All five SNACS sites were operational in FY02. Additional modules were added for OCONUS multiple currency use and new security groupings. A consolidated single database in CONUS is being planned for implementation in 3rd Qtr FY03.

The Configuration Control Board continued to work on reengineering efforts needed to migrate toward requirements of the Clinger-Cohen Act, the Paperwork Reduction Act and the Government Paperwork Elimination Act which require Enterprise Architectures. Work on the Operational Architecture continued.





U.S. Army Community and Family Support Center